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Attorneys for Plaintiff

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO**

TESSA SAMPSON, on behalf of herself and
all others similarly situated,

Plaintiff,

vs.

DIVERSIFIED CONVEYORS
INTERNATIONAL, LLC, a Tennessee
Limited Liability Company; and DOES 1
through 50, inclusive,

Defendant.

CASE NO.: CIVDS 2018610

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

1 This Joint Stipulation of Settlement and Release of Class and Representative Action
2 (“Stipulation”) is made and entered into by Plaintiff Tessa Sampson, individually and as a representative
3 of the Class and PAGA Settlement Class, and Defendant Diversified Conveyors International, LLC. This
4 Stipulation is subject to the approval of the Court, pursuant to California Rules of Court, Rule 3.769(c),
5 (d) and (e) and California Labor Code section 2699(1)(2), and is made for the sole purpose of attempting
6 to consummate settlement of the Action on a class-wide and representative basis subject to the following
7 terms and conditions. As detailed below, in the event the Court does not enter an order granting final
8 approval of this Stipulation, or the conditions precedent are not met for any reason, this Stipulation is void
9 and of no force or effect whatsoever.

10 **I. DEFINITIONS**

11 As used in this Stipulation, the following terms shall have the meanings specified below. To the
12 extent terms or phrases used in this Stipulation are not specifically defined below, but are defined
13 elsewhere in this Stipulation, they are incorporated by reference into this definition section.

14 **1. Action.** “Action” shall mean the following civil action: *Tessa Sampson v. Diversified*
15 *Conveyors International, LLC, et al.*, Case No. CIVDS2018610, filed on September 3, 2020 in the
16 Superior Court of California for the County of San Bernardino.

17 **2. Administrative Expenses.** “Administrative Expenses” shall include all costs and
18 expenses associated with and paid to the third-party Settlement Administrator, which are anticipated not
19 to exceed Nine Thousand Dollars (\$9,000.00). Administrative Expenses shall be deducted from the Gross
20 Settlement Amount prior to calculation of the Net Class Settlement Amount.

21 **3. Class.** “Class” shall mean all individuals who are or were employed as hourly, non-
22 exempt employees by Defendant in California during the Class Period. The term “Class Member” shall
23 mean any person who is a member of the Class, or, if such person is incompetent or deceased, the person’s
24 legal guardian, executor, heir, or successor-in-interest. Defendant represents that as of April 21, 2021, the
25 Class consisted of approximately 159 Class Members who worked approximately 4,805 workweeks
26 during the Class Period.

27 **4. Class Attorneys’ Fees and Expenses.** “Class Attorneys’ Fees and Expenses” shall mean
28 Class Counsel’s attorneys’ fees of up to One Hundred Fifty-Three Thousand Three Hundred Thirty-Three

1 Dollars and Thirty-Three Cents (\$153,333.33), subject to Court approval, and Class Counsel Expenses
2 not to exceed Eighteen Thousand Dollars (\$18,000.00), subject to Court approval. Class Attorneys' Fees
3 and Expenses shall be deducted from the Gross Settlement Amount prior to calculation of the Net Class
4 Settlement Amount. As a condition of this Settlement, Class Counsel has agreed to pursue fees only in the
5 manner reflected in this Stipulation.

6 **5. Class Counsel.** "Class Counsel" shall mean Jonathan Melmed of Melmed Law Group
7 P.C.

8 **6. Class Notice.** "Class Notice" shall mean the Notice of Proposed Class and Representative
9 Action Settlement and Hearing Date for Court Approval, as set forth in the form of **Exhibit 1** attached
10 hereto, or as otherwise approved by the Court, which is to be mailed to Class Members along with the
11 Share Form (attached as **Exhibit 2**).

12 **7. Class Participants.** "Class Participants" shall mean any and all Class Members who do
13 not timely Opt-Out of the Settlement.

14 **8. Class Period.** "Class Period" shall mean the period from September 3, 2016 through April
15 21, 2021.

16 **9. Class Representative.** "Class Representative" shall mean Plaintiff Tessa Sampson.

17 **10. Complaint.** "Complaint" shall mean the operative Complaint in the Action.

18 **11. Court.** "Court" shall mean the Superior Court of San Bernardino County.

19 **12. Defendant.** "Defendant" shall mean Diversified Conveyors International, LLC.

20 **13. Defense Counsel.** "Defense Counsel" shall mean John Egley of Call & Jensen, a
21 Professional Corporation.

22 **14. Effective Date.** "Effective Date" shall mean: (i) if no appeal from the Final Order and
23 Judgment is filed, sixty-one (61) calendar days afer entry of the Final Order and Judgment, or (ii) if an
24 appeal is filed, upon the final dismissal of the appeal, writ, or other appellate proceeding opposing the
25 terms of the Settlement as embodied in this Stipulation. It is the Parties' intent that this Settlement shall
26 not become effective until the Final Order and Judgment has become completely final, and there is no
27 timely recourse by any appellant, objector, or intervenor who seeks to contest the Settlement.

28 **15. Employees' PAGA Portion.** "Employees' PAGA Portion" shall mean the gross sum of

1 Six Thousand Two Hundred Fifty Dollars (\$6,250.00), subject to Court approval, which shall be
2 distributed pro rata based on the number of workweeks worked during the PAGA Period as set forth
3 in Section VI.2.b. Pursuant to Labor Code section 2699, the Employees' PAGA Portion represents 25%
4 of the Twenty-Five Thousand Dollar (\$25,000.00) PAGA Allocation.

5 **16. Employee's Taxes and Required Withholding.** "Employee's Taxes and Required
6 Withholding" shall mean the employee's share of any and all applicable federal, state, or local payroll
7 taxes, including those collected under authority of the Federal Insurance Contributions Act ("FICA"),
8 Federal Unemployment Tax Act ("FUTA") and/or State Unemployment Tax Act ("SUTA") on the portion
9 of any Class Participant's Individual Class Payment that constitutes wages as set forth in Section VII.3 of
10 this Stipulation.

11 **17. Employer's Taxes.** "Employer's Taxes" shall mean and refer to Defendant's share of
12 payroll taxes (e.g. Unemployment Insurance taxes, Employment Training taxes, Social Security and
13 Medicare taxes, etc.) that is owed on the portion of any Class Participant's Individual Class Payment that
14 constitutes wages as set forth in Section VII.3 of this Stipulation. Employer's Taxes shall be deducted
15 from the Gross Settlement Amount prior to calculation of the Net Class Settlement Amount.

16 **18. Final Approval and Fairness Hearing.** "Final Approval and Fairness Hearing" shall
17 mean the final hearing held to ascertain the fairness, reasonableness, and adequacy of the Settlement.

18 **19. "Final Order and Judgment"** means the final formal order signed by the Court
19 approving the terms of this Stipulation.

20 **20. Gross Settlement Amount.** "Gross Settlement Amount" is the agreed upon non-
21 reversionary settlement amount totaling a maximum of Four Hundred Sixty Thousand Dollars
22 (\$460,000.00) to be paid by Defendant in full settlement of the Released Claims asserted in the Action.
23 The Gross Settlement Amount comprises: (i) Class Attorneys' Fees and Expenses, (ii) Plaintiff's Incentive
24 Award, (iii) Administrative Expenses, (iv) the PAGA Allocation, (v) Employer's Taxes, (vi) the Net Class
25 Settlement Amount (including Employee's Taxes and Requirement Withholdings). In no event will
26 Defendant be liable for more than the Gross Settlement Amount, except where the Escalator Provision
27 (discussed in Section IX.3) is triggered.

28 **21. Hearing on Preliminary Approval.** "Hearing on Preliminary Approval" shall mean the

1 hearing held on the motion for preliminary approval of the Settlement.

2 **22. Incentive Award.** “Incentive Award” shall mean an additional monetary payment of up
3 to Ten Thousand Dollars (\$10,000.00) (subject to Court approval) to be provided to the Class
4 Representative for her efforts and risks on behalf of the Class in this Action as well as for a general release
5 of all claims arising out of her employment with Defendant. Plaintiff’s Incentive Award shall be deducted
6 from the Gross Settlement Amount prior to calculation of the Net Class Settlement Amount.

7 **23. Individual Class Payment.** “Individual Class Payment” shall mean the amount which is
8 ultimately distributed to each Class Participant from the Net Class Settlement Amount, after deduction of
9 any Employee’s Taxes and Required Withholdings. Individual Class Payments are based on the pro rata
10 number of workweeks worked by the Class Member during the Class Period according to the formula set
11 forth in Section VI.2.a. Class Members do not need to submit a claims form to receive an Individual Class
12 Payment. If a Class Member worked during the PAGA Period, the individual will receive an Individual
13 PAGA Payment in addition to an Individual Class Payment.

14 **24. Individual PAGA Payment.** “Individual PAGA Payment” shall mean the amount which
15 is ultimately distributed to individual PAGA Settlement Class members from the Employees’ PAGA
16 Portion. Individual PAGA Payments are based on the pro rata number of workweeks worked by the PAGA
17 Settlement Class member during the PAGA Period according to the formula set forth in VI.2.b. PAGA
18 Settlement Class members do not need to submit a claims form to receive an Individual PAGA Payment.

19 **25. LWDA Payment.** “LWDA Payment” shall mean the gross sum of Eighteen Thousand
20 Seven Hundred Fifty Dollars (\$18,750.00), subject to Court approval, which shall be paid to the California
21 Labor and Workforce Development Agency from the Gross Settlement Amount prior to calculation of the
22 Net Class Settlement Amount. Pursuant to Labor Code section 2699, the LWDA Payment represents 75%
23 of the Twenty Five Thousand Dollar (\$25,000.00) PAGA Allocation.

24 **26. Net Class Settlement Amount.** “Net Class Settlement Amount” shall mean the Gross
25 Settlement Amount minus (i) Class Attorneys’ Fees and Expenses, (ii) Plaintiff’s Incentive Award, (iii)
26 Administrative Expenses, (iv) the PAGA Allocation, and (v) Employer’s Taxes. The Net Settlement
27 Amount shall be distributed pro ratably to Participating Class Members based on the number of
28 workweeks worked in the Class Period according to the formula set forth in Section VI.2.a., subject to

1 deductions for Employee’s Taxes and Required Withholdings.

2 **27. Opt-Out(s).** “Opt-Out(s)” shall mean any and all Class Members who timely and validly
3 request exclusion from the Settlement in accordance with the terms of the Class Notice and no later than
4 the Response Deadline.

5 **28. PAGA Allocation.** “PAGA Allocation” means the civil penalties pursuant to California
6 Labor Code sections 2698, et seq., the Private Attorneys General Act of 2004 (“PAGA”), that the Parties
7 have agreed is a reasonable sum to be paid in settlement of the PAGA claims included in the Action, in
8 the total amount of Twenty-Five Thousand Dollars (\$25,000.00), subject to Court approval. This sum
9 comprises (i) the LWDA Payment and (ii) the Employees’ PAGA Portion. The PAGA Allocation shall
10 be deducted from the Gross Settlement Amount prior to calculation of the Net Class Settlement Amount.
11 Class Counsel shall give timely notice of the Settlement and PAGA Allocation to the LWDA pursuant
12 to Labor Code section 2699(I)(2).

13 **29. PAGA Settlement Class.** “PAGA Settlement Class” shall mean all individuals who are
14 or were employed as hourly, non-exempt employees by Defendant during the PAGA Period.

15 **30. PAGA Period.** “PAGA Period” shall mean the period from September 3, 2019 through
16 April 21, 2021.

17 **31. Parties.** “Parties” shall mean Plaintiff and Defendant.

18 **32. Plaintiff.** “Plaintiff” shall mean the named Plaintiff Tessa Sampson.

19 **33. Preliminary Approval Date.** “Preliminary Approval Date” shall mean the date upon
20 which the Court enters an order preliminarily approving the Settlement embodied in this Stipulation.

21 **34. Released Claims.** “Released Claims” shall mean any and all claims, charges, complaints,
22 controversies, debts, demands, obligations, promises, agreements, suits, rights, costs, losses, liens, fines,
23 restitutionary amounts, interest, punitive damages, liabilities, money owed, interest, guarantees, expenses
24 (including, without limitation, wages, penalties, liquidated damages, attorneys’ fees and costs), actions or
25 causes of action of any nature under state, federal, or local law, that were made or could have been made
26 based on the facts alleged in the Complaint or the Action, which include claims under California Labor
27 Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1194, 1194.2, 1197, 1197.1, 1198,
28 1199, 2802, IWC Wage Order No. 4, UCL violations pursuant to Cal. Bus. & Prof. Code §17200 et seq.

1 based on the foregoing, and statutory penalties based on the foregoing under California’s Private Attorney
2 Generals Act (“PAGA”) (Labor Code §§ 2698-2699.5) (the “Released Claims”). The Release Period shall
3 be the Class Period. The Parties intend for the release to be as broad as possible and to include all claims
4 that were pleaded or could have been pleaded in Plaintiff’s Complaint.

5 **35. Released Parties.** “Released Parties” shall mean Defendant and all of its past, present,
6 and future parent companies, subsidiaries, divisions, related or affiliated companies, predecessors in
7 interest, successors, assigns, branches, units, members, shareholders, owners, principals, partners,
8 officials, officers, directors, employees, agents, representatives, administrators, accountants, auditors,
9 attorneys, consultants, insurers, investors, reinsurers, heirs, beneficiaries, subrogees, executors, privies,
10 fiduciaries, and trustees, and any individual or entity which could be jointly liable with Defendant.

11 **36. Response Deadline.** “Response Deadline” shall mean the date thirty (30) calendar days
12 following the date on which the Settlement Administrator first mails Class Notice to the Class Members
13 and the last day on which Class Members may submit an Opt-Out request or objection to the Settlement.
14 If the Response Deadline falls on a Saturday, Sunday, or holiday, the Response Deadline shall be extended
15 to the next business day.

16 **37. Settlement.** “Settlement” shall mean the settlement between the Parties, which is
17 memorialized in this Stipulation and subject to approval by the Court.

18 **38. Settlement Administrator.** “Settlement Administrator” shall mean ILYM Group, Inc.,
19 Rust Consulting, or CPT Group, Inc. (or another administrator to be agreed upon by the Parties) which
20 the Parties have agreed will be responsible for administration of the Settlement and related matters.

21 **39. Share Form.** “Share Form” shall mean the Share Form, as set forth in the form of **Exhibit**
22 **2** attached hereto, or as otherwise approved by the Court, which is to be mailed to Class Members along
23 with the Class Notice.

24 **40. Stipulation.** “Stipulation” shall mean this Joint Stipulation of Settlement and Release of
25 Class and Representative Action, including any attached exhibits.

26 **II. FACTUAL AND PROCEDURAL BACKGROUND OF ACTION**

27 **1. Plaintiff’s Claims.** On behalf of herself and the Class, Plaintiff’s Complaint alleged the
28 following causes of action: (1) failure to pay minimum wage; (2) failure to provide off-duty rest breaks

1 and pay missed rest break premiums; (3) failure to provide compliant meal periods and pay missed meal
2 period premiums; (4) failure to pay overtime wages; (5) failure to reimburse for business expenses; (6)
3 failure to provide complete/accurate wage statements; (7) waiting time penalties; (8) failure to timely pay
4 all wages owed; (9) unfair business practices based on the foregoing; and (10) PAGA penalties based on
5 the foregoing.

6 **2. Discovery, Investigation, Research, and Mediation.** Class Counsel has conducted
7 significant informal discovery during the prosecution of the Action. This discovery, investigation, and
8 prosecution has included, among other things, (a) over a dozen telephonic conferences with Plaintiff; (b)
9 inspection and analysis of hundreds of pages of documents and other information produced by Plaintiff
10 and Defendant; (c) analysis of employment data for all Class Members; (d) an analysis of the legal
11 positions taken by Defendant; (d) investigation into the viability of class and representative treatment of
12 the claims asserted in the Action; (e) analysis of potential class-wide damages, including information
13 sufficient to understand Defendant's potential defenses to Plaintiff's claims; (f) research of the applicable
14 law with respect to the claims asserted in the Complaint and the potential defenses thereto; and (g)
15 assembling and analyzing of data for calculating damages. Plaintiff and Class counsel have vigorously
16 prosecuted this case, and Defendant has vigorously contested it. The Parties have engaged in sufficient
17 investigation and discovery to assess the relative merits of the claims asserted in the Action and of
18 Defendant's defenses to them. On May 10, 2021, the Parties attended a full-day mediation with
19 experienced employment law mediator Steve Serratore, which culminated in a settlement in principle, the
20 terms of which are elaborated in this Stipulation.

21 **3. Benefits of Settlement.** The documents and data exchanged in this matter, as well as
22 discussions between counsel, have been adequate to give the Class Representative and Class Counsel a
23 sound understanding of the merits of their positions and to evaluate the value of the claims of the Class.
24 The informal discovery conducted in this Action and the information exchanged by the Parties through
25 pre-mediation discussions are sufficient to reliably assess the merits of the Parties' respective positions
26 and to compromise the issues on a fair and equitable basis. Plaintiff and Class Counsel believe that the
27 claims, causes of action, allegations, and contentions asserted in the Action have merit. However, Plaintiff
28 and Class Counsel recognize and acknowledge the expense and delay of continued lengthy proceedings

1 necessary to prosecute the Action against Defendant through trial and through appeals. Class Counsel has
2 taken into account the uncertain outcome of the litigation, the risk of continued litigation in complex
3 actions such as this, as well as the difficulties and delays inherent in such litigation, and the potential
4 difficulty of obtaining certification of the Action as well as trying Plaintiff's claims on a
5 class/representative basis. Class Counsel is mindful of the potential problems of proof under, and possible
6 defenses to, the claims alleged in the Action. Class Counsel believes that the Settlement set forth in this
7 Stipulation confers substantial benefits upon Plaintiff and the Class Members, and that an independent
8 review of this Stipulation by the Court in the approval process will confirm this conclusion. Based on their
9 own independent investigation and evaluation, Class Counsel has determined that the Settlement set forth
10 in the Stipulation is in the best interests of Plaintiff and the Class Members.

11 **4. Defendant's Denials of Wrongdoing and Liability.** Defendant has denied and continues
12 to deny each and all allegations, claims, and contentions alleged by Plaintiff in the Action. Defendant has
13 expressly denied and continues to deny all charges of wrongdoing or liability against it arising out of any
14 of the conduct, statements, acts, or omissions alleged in the Action. Defendant contends that it complied
15 with California and federal wage and hour laws and has dealt legally and fairly with Plaintiff and Class
16 Members. Defendant further denies that, for any purpose other than settling this Action, these claims are
17 appropriate for class or representative treatment. Nonetheless, Defendant has concluded that further
18 proceedings in the Action would be protracted and expensive and that it is desirable that the Action be
19 fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation in
20 order to dispose of burdensome and protracted litigation, to permit the operation of Defendant's business
21 without further expensive litigation and the distraction and diversion of Defendant's personnel with
22 respect to matters at issue in the Action. Defendant has also taken into account the uncertainty and risks
23 inherent in any litigation, especially in complex cases such as the Action. Defendant has, therefore,
24 determined that it is desirable and beneficial to it that the Action be settled in the manner and upon the
25 terms and conditions set forth in this Stipulation.

26 **5. Intent of the Settlement.** The Settlement set forth herein intends to achieve the following:
27 (1) entry of an order approving the Settlement; (2) entry of Judgment of the Action; (3) discharge of
28 Defendant and the Released Parties from liability for any and all of the Released Claims; and (4) discharge

1 of Defendant and the Released Parties from liability for any and all claims arising out of the Action.

2 **III. CONDITIONAL CLASS CERTIFICATION AND APPOINTMENT OF CLASS**
3 **COUNSEL**

4 **1. Conditional Certification.** For the purposes of this Stipulation and the Settlement of this
5 Action only, the Parties stipulate to conditional class certification of the Class. Defendant's counsel
6 believes this conditional certification is appropriate because the Released Claims are being compromised
7 without need to establish the elements of those claims on which liability turns. The certification of the
8 Class for settlement purposes only shall not constitute, in this or any other proceeding, an admission of
9 any kind by Defendant, including without limitation, that certification of a class for trial purposes is or
10 would be warranted, appropriate or proper; or that Plaintiff could establish any of the requisite elements
11 for class or representative treatment of any of the claims in the Action. In the event that this Stipulation
12 is not finally approved by the Court, a final Effective Date is not achieved, or the Settlement is rejected,
13 terminated, or otherwise rendered null and void as set forth herein, then certification of the Class shall be
14 automatically vacated, shall be void *ab initio*, of no force or effect, and shall not constitute evidence of
15 or a binding determination that the requirements for certification or manageability of a class or
16 representative action for trial purposes in this Action or in any other action have been, are, or can be
17 satisfied. Further, if the Settlement does not reach an Effective Date, Plaintiff agrees that she will not
18 argue, claim, reference, or otherwise raise any preliminary approval of the Class in connection with any
19 later proceeding before the Court.

20 **2. Appointment of Class Counsel.** For purposes of this Stipulation and subject to the
21 Court's approval, the Parties hereby stipulate to the appointment of Class Counsel as counsel for the Class
22 and the effectuation of the Settlement pursuant to this Stipulation.

23 **IV. CLASS SETTLEMENT CONSIDERATION**

24 **1. Gross Settlement Amount.** The Parties agree to settle this Action for the Gross
25 Settlement Amount of Four Hundred Sixty Thousand Dollars (\$460,000.00). In no event will Defendant
26 be liable for more than the Gross Settlement Amount, except where the Escalator Provision (discussed
27 in Section IX.3) is triggered. There shall be no reversion to Defendant. Subject to Court approval of this
28 Stipulation and achievement of an Effective Date, Defendant shall pay the Gross Settlement Amount in

1 full. The Gross Settlement Amount and other actions and forbearances taken by Defendant shall
2 constitute adequate consideration for the Settlement and will be made in full and final settlement of: the
3 Released Claims, Class Attorneys' Fees and Expenses, Administrative Expenses, the Incentive Award,
4 the PAGA Allocation; Employer's Taxes, Employee's Taxes and Required Withholdings, and any other
5 obligation of Defendant under this Stipulation.

6 **V. SETTLEMENT ADMINISTRATOR RESPONSIBILITIES, COSTS, AND EXPENSES**

7 **1. The Settlement Administrator.** The Settlement Administrator will be responsible for,
8 inter alia, mailing the Class Notice and Share Form (**Exhibits 1 and 2**) to Class Members, handling
9 inquiries from Class Members concerning the Class Notice, resolving disputes regarding the number of
10 workweeks worked by Class Members, processing Class Member Opt-Out requests and objections to the
11 Settlement, establishing and maintaining a Qualified Settlement Fund ("QSF") as defined by the Internal
12 Revenue Code, calculating and distributing Individual Class Payments and Individual PAGA Payments,
13 distributing the LWDA Payment, calculating Employee's Taxes and Required Withholding and
14 Employer's Taxes, preparing all required tax documents and reports and remitting the required amounts
15 to the appropriate federal and state taxing authorities, disbursing Class Attorneys' Fees and Expenses as
16 approved by the Court, disbursing the Incentive Award as approved by the Court, issuing weekly reports
17 and other reports in connection with motions for Preliminary Approval and Final Approval, posting
18 notice of entry of Final Order and Judgment certifying the Class and approving this Stipulation, and
19 performing such other duties as the Parties may direct.

20 **2. Settlement Administrator Reports.** On a weekly basis, the Settlement Administrator
21 will provide reports to Class Counsel and Defense Counsel with summary information updating them as
22 to the number of validated and timely objections and Opt-Out requests. The Settlement Administrator will
23 serve on Class Counsel and Defense Counsel via e-mail date-stamped copies of the original Opt-Outs and
24 objections no later than seven (7) calendar days after their receipt. The Settlement Administrator will
25 provide Class Counsel and Defense Counsel with proof of mailing of the Class Notice, without listing
26 individual Class Member names or identifying information, which the Settlement Administrator will file
27 with the Court at the time Class Counsel files their motion seeking Final Approval of the Settlement. No
28 later than seven (7) calendar days prior to the Final Approval and Fairness Hearing, the Settlement

1 Administrator will compile and deliver to Class Counsel and Defense Counsel a report with summary
2 information regarding (a) the total amount of final Individual Class Payments and Individual PAGA
3 Payments, without any personally-identifying information, (b) the number of Class Members to receive
4 such payments, and (c) the final number of Opt-Outs and objections.

5 **3. Administrative Expenses.** All costs and expenses due to the Settlement Administrator in
6 connection with its administration of the Settlement as set forth in this Stipulation shall be paid from the
7 Gross Settlement Amount prior to the calculation of the Net Class Settlement Amount. Administrative
8 Expenses are not expected to exceed Nine Thousand Dollars (\$9,000.00).

9 **VI. NOTICE TO CLASS MEMBERS AND CLAIMS ADMINISTRATION PROCESS**

10 **1. Notice to Class Members.** After the Court issues an order preliminarily approving this
11 Settlement, the Settlement Administrator will distribute the Class Notice and Share Form to the Class
12 Members. The Class Notice (attached as **Exhibit 1**) shall describe the terms of the Settlement and
13 procedures to Opt-Out, object, or participate in the Settlement, as well as their ability to challenge the
14 number of workweeks they are credited as working during the Class Period and PAGA Period. The Class
15 Notice shall contain an easily understood statement alerting the Class Members that, unless they elect to
16 Opt-Out of the Class Settlement, they shall release and waive all Released Claims against the Released
17 Parties. The Class Notice shall also inform PAGA Settlement Class members that they may not Opt-Out
18 of receiving their share of the Employees' PAGA Portion and, if the Settlement is approved by the Court,
19 then the PAGA Settlement Class member will be barred from filing a PAGA representative action based
20 on the same allegations and theories supporting the PAGA cause of action in the Complaint and covering
21 the PAGA Period.

22 **2. Share Form.** Along with the Class Notice, the Settlement Administrator will also include
23 a Share Form (attached as **Exhibit 2**) which will inform each Class Member the number of workweeks
24 worked during the Class Period and PAGA Period (if applicable) and his/her estimated Individual Class
25 Payment and Individual PAGA Payment (if applicable). For purposes of calculating the estimated
26 Individual Class Payments and Individual PAGA Payments on Share Forms, the Settlement Administrator
27 shall use the estimated deductions from the Gross Settlement Amount as set forth in this Stipulation for
28 Class Attorneys' Fees and Expenses, the Incentive Award, Administrative Expenses, and the PAGA

1 Allocation. Defendant shall have no responsibility for calculating the Individual Class Payments or
2 Individual PAGA Payments or any other payments made pursuant to this Stipulation.

3 **a. Calculation of Individual Class Payments.** To determine the gross amounts of
4 Individual Class Payments, the Settlement Administrator will use the following formula: Individual Class
5 Payment = [(Net Class Settlement Amount - Employees' PAGA Portion) ÷ total number of workweeks
6 worked by all Class Members during Class Period] * [total number of workweeks worked by Class
7 Member during the Class Period]. Employee's Taxes and Required Withholding shall be deducted from
8 that portion of each Individual Class Payment allocated as wages.

9 **b. Calculation of Individual PAGA Payments.** To determine the gross amounts of
10 Individual PAGA Payments, the Settlement Administrator will use the following formula: Individual
11 PAGA Payment = [Employees' PAGA Portion ÷ total number of workweeks worked by all PAGA
12 Settlement Class members during PAGA Period] * [total number of workweeks worked by PAGA
13 Settlement Class member during the PAGA Period].

14 **3. Timeline for Notice.** Notice of this Settlement and Share Forms shall be provided to Class
15 Members in the following manner: Within 14 calendar days after the Preliminary Approval Date,
16 Defendant shall provide the Settlement Administrator with an updated list of Class Members containing
17 names, social security numbers, number of workweeks worked during the Class Period, number of
18 workweeks worked during the PAGA Period, last-known addresses and phone numbers, if known (the
19 "Database"). The Database shall be marked "Confidential–Settlement Administrator's Eyes Only." Class
20 Counsel shall not receive a copy of this list. Within fourteen (14) calendar days following receipt of the
21 Database, the Settlement Administrator shall calculate estimated Individual Class Payments/Individual
22 PAGA Payments for each Class Member, populate the Share Form for each individual accordingly, and
23 send the Share Form and Class Notice via first-class, United States mail.

24 **4. Returned Mail.** In the event that, prior to the Response Deadline, any Class Notice and
25 Share Form mailed to a Class Member is returned as having been undelivered by the U.S. Postal Service,
26 the Settlement Administrator shall perform a skip trace search and seek an address correction for such
27 individual, and a second Class Notice and Share Form will be sent to any new or different address
28 obtained. Such Class Member shall have an additional 14 days in which to Opt-Out or object. It will be

1 presumed that, if an envelope containing the Class Notice and Share Form has not been returned within
2 twenty-eight (28) calendar days of the mailing, the Class Member received the Class Notice and Share
3 Form.

4 **5. Settlement Administrator Declaration.** At least thirty (30) calendar days prior to the
5 Final Approval and Fairness Hearing, the Settlement Administrator shall provide Class Counsel and
6 Defense Counsel with a Declaration of Due Diligence and Proof of Mailing with regard to the mailing of
7 the Class Notice and Share Form and the Settlement Administrator's attempts to locate Class Members.
8 The declaration shall specify the number of Class Members to whom Class Notices were sent and the
9 number of Class Members to whom Class Notices were not delivered, as well as information relating to
10 the number of Opt-Outs and objectors. Class Counsel shall file this declaration with the Court.

11 **6. Opt-Out Procedure.** Class Members who do not timely Opt-Out of the Settlement will
12 be deemed to participate in the Settlement and shall become Class Participants without having to submit
13 a claim form or take any other action. Class Members who do not timely Opt-Out will be bound by the
14 Release of Released Claims set forth in this Stipulation. In order to Opt-Out of the Settlement, the Class
15 Member must submit a letter or postcard to the Settlement Administrator by the Response Deadline. The
16 Opt-Out request must state the Class Member's name, address, telephone number, and signature. The Opt-
17 Out request must state something to the effect of: "I WISH TO BE EXCLUDED FROM THE CLASS IN
18 THE SAMPSON V. DIVERSIFIED CONVEYORS INTERNATIONAL, LLC LAWSUIT. I
19 UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE CLASS, I WILL NOT RECEIVE
20 ANY MONEY FROM THE SETTLEMENT OF CLASS CLAIMS IN THIS LAWSUIT AND WILL
21 NOT BE RELEASING ANY CLASS CLAIMS I MIGHT HAVE." Any Opt-Out request that is not
22 postmarked by the Response Deadline will be invalid. If the Settlement Administrator determines that an
23 Opt-Out request returned by a Class Member before the Response Deadline is deficient, then the
24 Settlement Administrator shall mail a deficiency letter to that Class Member identifying the problem. If a
25 Class Member submits both a workweeks dispute and an Opt-Out request, the Opt-Out request shall be
26 disregarded and the claim will be paid, and the Class Member will become bound by the Final Order and
27 Judgment. Class Members shall have no right or ability to Opt-Out of the portion of this Stipulation
28 releasing PAGA claims.

1 **7. Objections.** The Class Notice shall inform Class Members of their right to object to the
2 Settlement. Any Class Member who wishes to object to the Settlement must submit a written objection to
3 the Settlement Administrator no later than the Response Deadline and must file with the Court, and serve
4 on all Parties, a written statement of objection. The objection must include the case name and number and
5 must set forth, in clear and concise terms, a statement of the reasons why the objector believes that the
6 Court should find that the proposed Settlement is not in the best interest of the Class and the reasons why
7 the Settlement should not be approved, including the legal and factual arguments supporting the objection.
8 If an objector also wishes to appear at the Final Approval and Fairness Hearing, in person or through an
9 attorney, he or she must also file a notice of intention to appear at the same time as the objection is filed.
10 The Settlement Administrator will promptly serve copies of any objection or notice of intention to appear
11 on Class Counsel and Defense Counsel. Unless otherwise ordered by the Court, objectors shall not be
12 entitled to appear and or object at the Final Approval Hearing unless they have submitted a timely written
13 objection and notice of intention to appear pursuant to this Paragraph. Objectors who have properly and
14 timely submitted objections may appear at the Final Approval Hearing, either in person or through a
15 lawyer retained at their own expense. Class Members who Opt-Out of the Settlement may not object to
16 the Settlement.

17 **8. Disputes Regarding Workweeks or Individual Payments.** The number of workweeks
18 worked and corresponding Individual Class Payments/Individual PAGA Payments shall be calculated
19 using the employment and payroll records of Defendant, which presumptively shall be deemed to be full,
20 complete, and accurate for purposes of this Settlement. To overcome that presumption, any Class Member
21 disputing the accuracy of the number of workweeks or amount of the Individual Class/PAGA Payment
22 must submit documentary evidence, such as pay stubs or other written employment records, to the
23 Settlement Administrator. Any such disputes must be mailed or faxed to the Settlement Administrator and
24 must be postmarked or fax-stamped on or before the Response Deadline. The Settlement Administrator
25 shall immediately provide copies of all disputes to counsel for Defendant, shall inform Class Counsel of
26 the dispute without disclosing the identity of the Class Member making the dispute, and shall immediately
27 attempt to resolve all such disputes directly with the Class Member with the assistance of Defendant and
28 Class Counsel. If the dispute cannot be resolved, it shall be submitted to the Settlement Administrator for

1 its final, non-appealable decision. The Settlement Administrator shall use its best efforts to resolve all
2 such disputes prior to the Effective Date. However, if a dispute arises or is not resolved until after all of
3 the available Net Class Settlement Amount/Employees' PAGA Portion has been distributed, the initial
4 calculation shall stand (as Defendant shall be under no obligation to pay any amounts in excess of the
5 Gross Settlement Amount under this Stipulation).

6 **9. Notice of Final Order and Judgment.** Within ten (10) calendar days after the Court has
7 held a Final and Fairness Approval Hearing and entered a Final Order and Judgment certifying the Class
8 for settlement purposes only and approving the Settlement, the Settlement Administrator will give notice
9 of the Final Order and Judgment to Class Members pursuant to California Rules of Court, rule 3.771(b)
10 by posting a copy of said order and Final Order and Judgment on its website at a web address to be
11 included in the Class Notice. Additionally, Class Counsel shall submit a copy of the Final Order and
12 Judgment to the LWDA within ten (10) days after entry of the Final Order and Judgment in accordance
13 with California Labor Code section 2699(I)(3).

14 **VII. SETTLEMENT FUNDING AND DISTRIBUTION**

15 **1. Payment by Defendant.** Defendant shall deposit the Gross Settlement Amount in a lump-
16 sum payment to the QSF within fourteen (14) calendar days of the Effective Date of the Settlement. If
17 the fourteenth day after the Effective Date falls on a Saturday, Sunday, or holiday, the deposit date shall
18 be extended to the next business day. In no event shall Defendant be obligated to pay or deposit with the
19 Settlement Administrator more than Four Hundred Sixty Thousand Dollars (\$460,000.00), except where
20 the Escalator Provision (discussed in Section IX.3) is triggered.

21 **2. Allocation of the Gross Settlement Amount.** The claims of all Class Members are settled
22 for the Gross Settlement Amount of Four Hundred Sixty Thousand Dollars (\$460,000.00), which will be
23 allocated as follows (subject to Court approval):

24 **a. Class Attorneys' Fees and Expenses.** As part of Plaintiff's Motion for Final Approval
25 of the Settlement, Class Counsel may submit an application for an award of Class Attorneys' Fees and
26 Expenses with the fee portion not to exceed one-third of the Gross Settlement Amount (i.e., One Hundred
27 Fifty-Three Thousand, Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$153,333.33)) plus
28 costs and expenses of up to an additional Eighteen Thousand Dollars (\$18,000.00). Defendant agrees not

1 to object to any such fee, cost, or expense application in those amounts. Any portion of the proposed
2 award of Class Attorneys' Fees and Expenses not awarded to Class Counsel will be added to the Net
3 Class Settlement Amount. The Class Attorneys' Fees and Expenses approved by the Court shall
4 encompass: (a) all work performed and costs and expenses incurred by, or at the direction of, any attorney
5 purporting to represent the Class Members through the date of this Stipulation; (b) all work to be
6 performed and costs to be incurred in connection with approval by the Court of the Settlement; (c) all
7 work to be performed and costs and expenses, if any, incurred in connection with administering the
8 Settlement through the Effective Date; and (d) may be based on the Catalyst Theory and/or Common
9 Fund Doctrine.

10 **b. Plaintiff's Incentive Award.** Plaintiff may petition the Court to approve an Incentive
11 Award in an amount up to Ten Thousand Dollars (\$10,000.00) for Plaintiff's efforts on behalf of the Class
12 in this Action, including assisting in the investigation and consulting with Class Counsel and providing
13 crucial documents to Class Counsel, as well as for a general release of all claims arising out of her
14 employment with Defendant. Defendant shall not oppose any request by Plaintiff for an Incentive Award
15 in such an amount. Any portion of the proposed Incentive Award not awarded to Plaintiff will be added
16 to the Net Class Settlement Amount. Plaintiff's Incentive Award shall be in addition to any Individual
17 Class Payment and Individual PAGA Payment to which she may otherwise be entitled. The Incentive
18 Award shall not be considered wages, and the Settlement Administrator shall issue Plaintiff an IRS Form
19 1099 reflecting such payment. Plaintiff shall be solely responsible for the payment of any and all taxes
20 with respect to her Incentive Award and shall hold Defendant harmless from any and all liability with
21 regard thereto.

22 **c. The Settlement Administrator's Administrative Expenses.** Administrative Expenses
23 are expected not to exceed Nine Thousand Dollars (\$9,000.00). Any portion of the proposed
24 Administrative Expenses not awarded by the Court will be added to the Net Class Settlement Amount.

25 **d. LWDA Payment.** The LWDA Payment of Eighteen Thousand Seven Hundred Fifty
26 Dollars (\$18,750.00) represents 75% of the Parties' PAGA Allocation. The LWDA Payment shall be paid
27 from the Gross Settlement Amount prior to the calculation of the Net Class Settlement Amount.

28 **e. Employees' PAGA Portion.** The Employees' PAGA Portion of Six Thousand Two

1 Hundred Fifty Dollars (\$6,250.00) represents 25% of the Parties' PAGA Allocation. The Employees'
2 PAGA Portion shall be paid from the Gross Settlement Amount prior to the calculation of the Net Class
3 Settlement Amount.

4 **f. Employer's Taxes.** Employer's Taxes shall be deducted from the Gross Settlement
5 Amount prior to calculation of the Net Class Settlement Amount.

6 **g. The Net Class Settlement Amount.** The amount remaining after the deductions in
7 Subparagraphs (a-f) immediately above represents the Net Class Settlement Amount, from which Class
8 Participants will receive their Individual Class Payments, after deduction for Employee's Taxes and
9 Required Withholding and the Employees' PAGA Portion.

10 **3. Tax Treatment of Individual Class Payments.** For the purpose of calculating
11 Employee's Taxes and Required Withholding for the Individual Class Payments for Class Participants
12 (including any payments to the Class Representative but exclusive of her Incentive Award), the Parties
13 agree that 25% of each Individual Class Payment shall constitute payment in the form of wages (and each
14 Class Participant will be issued an IRS Form W-2 for such payment to him or her), and 75% of each
15 Individual Class Payment shall constitute penalties and interest (and each Class Participant will be issued
16 an IRS Form 1099 for such payment to him or her). Prior to final distribution, the Settlement Administrator
17 shall calculate the total Employee's Taxes and Required Withholding as a result of the wage portion of
18 Class Participants' anticipated Individual Class Payments and such actual amount will be deducted from
19 the Net Settlement Amount. Defendant shall have no involvement in or responsibility for the
20 determination or payment of Employee's Taxes and Required Withholding, and shall have no liability for
21 any errors made with respect to such Employee's Taxes and Required Withholding. The Parties
22 understand that Plaintiff and the Class Participants who receive any payment pursuant to this Stipulation
23 shall be solely responsible for any and all tax obligations with respect to his or her Individual Class
24 Payment and shall hold Defendant harmless from any and all liability with regard thereto.

25 **4. Tax Treatment of Individual PAGA Payments.** All Individual PAGA Payments shall
26 be treated as payments for penalties and interest thereon and shall not be considered wages. The Settlement
27 Administrator shall issue an IRS Form 1099 reflecting such payment. PAGA Settlement Class members
28 who receive Individual PAGA Payments shall be solely responsible for the payment of all taxes with

1 respect to any such payments and shall hold Defendant harmless from any and all liability with regard
2 thereto.

3 **5. No Effect on Employee Benefit Plans.** Neither the Settlement nor any amounts paid
4 under the Settlement will modify any previously credited hours, days, or weeks of service under any
5 employee benefit plan, policy, or bonus program sponsored by Defendant. Such amounts shall not be
6 considered “compensation” and will not form the basis for additional contributions to, benefits under, or
7 any other monetary entitlement under Defendant’s sponsored benefit plans, policies, or bonus programs.
8 The payments made under the terms of this Stipulation shall not be applied retroactively, currently, or on
9 a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of
10 any of Defendant’s benefit plan, policy, or bonus program. Defendant retains the right to modify the
11 language of its benefits plans, policies, and bonus programs to effect this intent and to make clear that any
12 amounts paid pursuant to this Stipulation are not for “weeks worked,” “weeks paid,” “weeks of service,”
13 or any similar measuring term as defined by applicable plans, policies, and bonus programs for purpose
14 of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits
15 are not required by this Stipulation.

16 **6. Time for Payment of Attorney Fees and Expenses to Class Counsel.** The Settlement
17 Administrator shall distribute to Class Counsel the Class Attorneys’ Fees and Expenses approved by the
18 Court no later than twenty-one (21) calendar days after the Effective Date.

19 **7. Time for Payment of Incentive Award to Class Representative.** The Settlement
20 Administrator shall distribute to Plaintiff the Incentive Award approved by the Court no later than twenty-
21 one (21) calendar days after the Effective Date.

22 **8. Time for LWDA Payment.** The Settlement Administrator shall distribute the LWDA
23 Payment approved by the Court no later than twenty-one (21) calendar days after the Effective Date.

24 **9. Time for Payment of Individual Class Payments, Individual PAGA Payments,**
25 **Employee’s Taxes and Required Withholding, and Employer Taxes.** The Settlement Administrator
26 shall make every effort to distribute Individual Class Payments and Individual PAGA Payments by first-
27 class U.S. mail, to the individual’s last-known address no later than thirty (30) calendar days after the
28 Effective Date. If the Settlement Administrator is not able to do so within the time period set forth above,

1 it shall so inform Class Counsel and Defense Counsel and provide an approximate date by which the
2 checks for the Individual Class Payments and Individual PAGA Payments will be mailed. Under no
3 circumstances shall the Settlement Administrator distribute Individual Class Payments and Individual
4 PAGA Payments until all of the remaining monetary obligations, including Employee's Taxes and
5 Required Withholding and Employer's Taxes, have been calculated and accounted for. Within one
6 hundred twenty (120) calendar days of mailing the Individual Class Payments and Individual PAGA
7 Payments, the Settlement Administrator shall file with the Court and provide to Class Counsel and Defense
8 Counsel a declaration of payment. In the event that any Class Participant is deceased, payment shall be
9 made payable to the estate of that Class Participant and delivered to the executor or administrator of that
10 estate, unless the Settlement Administrator has received an affidavit or declaration pursuant to Cal.
11 Probate Code § 13101, in which case payment shall be made to the affiant(s) or declarant(s). The
12 Settlement Administrator shall also remit Employee's Taxes and Required Withholding and Employer's
13 Taxes to applicable taxing authorities within the time periods prescribed by law, and shall provide to
14 Defense Counsel a declaration of payment.

15 **10. Non-Cashed Settlement Checks.** Any funds associated with checks that have not been
16 cashed within 90 days, will become void and the payment associated with the un-cashed check will be
17 distributed to the State of California Unclaimed Property Fund in the name of each Class Participant. For
18 the purposes of determining whether Defendant has met its financial obligation to pay the Individual Class
19 Payments and Individual PAGA Payments, Defendant will be deemed to have fulfilled its obligation upon
20 the mailing of the check to the Class Participant, regardless of whether such Class Participant subsequently
21 negotiates the check.

22 **11. Court's Continued Jurisdiction.** After entry of the Final Order and Judgment, the Court
23 shall have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement
24 of the terms of the Settlement, (ii) Settlement administration matters, and (iii) such post-Judgment matters
25 as may be appropriate under Court rules or as set forth in this Settlement.

26 **VIII. MOTION FOR COURT APPROVAL**

27 **1. Preliminary Approval.** As soon as practicable after execution of this Stipulation, Class
28 Counsel will submit this Stipulation to the Court along with a Motion for Preliminary Approval of the

1 Class and Representative Action Settlement. Each Party shall cooperate to present the Settlement to the
2 Court for preliminary approval in a timely fashion.

3 **2. Final Approval.** The Final Approval and Fairness Hearing shall be held before the Court.
4 At the Final Approval and Fairness Hearing, Plaintiff shall move the Court for the entry of the final order
5 certifying the Class for settlement purposes only and approving the Settlement as being fair, reasonable,
6 and adequate within the meaning of California Rules of Court, Rule 3.769(c), (d) and (e) and for the entry
7 of a final Judgment of the Action consistent with the terms of the Settlement and California Rule of Court
8 3.769(h). Class Counsel and Defense Counsel shall submit to the Court such pleadings and/or evidence as
9 may be required for the Court’s determination.

10 **IX. NULLIFICATION OF THIS STIPULATION**

11 **1. Non-Approval of the Stipulation.** If (a) the Court should for any reason fail to approve
12 this Stipulation in the form agreed to by the Parties, or (b) the Court should for any reason fail to enter a
13 Final Order and Judgment and dismissal with prejudice of the Action, or (c) the approval of the Settlement
14 and Final Order and Judgment is reversed, modified, or declared or rendered void, then the Settlement
15 and conditional class certification shall be considered null and void, and neither the Settlement,
16 conditional class certification, nor any of the related negotiations or proceedings, shall be of any force or
17 effect, and all Parties to this Stipulation shall stand in the same position, without prejudice, as if the
18 Stipulation had been neither entered into nor filed with the Court. Notwithstanding the foregoing, the
19 Parties may attempt in good faith to cure any perceived defects in the Stipulation to facilitate approval.

20 **2. Parties’ Rights to Void Class Settlement.** If five (5) or more members of the Class timely
21 Opt-Out, Defendant shall have the right (but not the obligation) to void this Settlement.

22 **3. Escalator Provision.** If the total number of workweeks worked during the Class Period
23 is greater than 5,045, then the Gross Settlement Amount shall be increased proportionally for each
24 workweek worked in excess of 5,045.

25 **4. Invalidation.** Invalidation of any portion of this Stipulation shall invalidate the Settlement
26 in its entirety, unless the Parties subsequently agree in writing that the remaining provisions of the
27 Settlement are to remain in full force and effect.

28 **5. Stay Upon Appeal.** In the event of a timely appeal from the Final Order and Judgment

1 approving the Settlement, the Judgment shall be stayed, and Defendant shall not be obligated to fund the
2 Gross Settlement Amount or take any other actions required by this Stipulation until all appeal rights have
3 been exhausted by operation of law.

4 **X. RELEASES AND WAIVERS**

5 **1. Release of Claims by Participating Class Members.** It is the desire of the Parties and
6 the Participating Class Members to fully, finally, and forever settle, compromise, and discharge the
7 Released Claims. Upon the Effective Date, each Class Member who has not submitted a timely Opt-Out
8 request, and all persons purporting to act on their behalf or purporting to assert a claim under or through
9 any of them, including, but not limited to, their dependents, heirs and assigns, beneficiaries, devisees,
10 legatees, executors, administrators, agents, trustees, conservators, guardians, personal representatives,
11 and successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect, or
12 any other type or in any other capacity (“Releasing Parties”) each releases the Released Parties, and each
13 of them, of and from any and all Released Claims during the Class Period. Class Members who do not
14 Opt-Out will be deemed to have acknowledged and agreed that their claims for wages and/or penalties
15 in the Action are disputed, and that their Individual Class Payments constitute payment of all sums
16 allegedly due to them. Participating Class Members will be deemed to have acknowledged and agreed
17 that California Labor Code Section 206.5 is not applicable to the Individual Class Payments. That section
18 provides in pertinent part as follows:

19 **“An employer shall not require the execution of a release of a claim or**
20 **right on account of wages due, or to become due, or made as an advance**
21 **on wages to be earned, unless payment of those wages has been made.”**

22 **2. Release of Claims by Plaintiff.** Plaintiff, on behalf of herself and her dependents, heirs
23 and assigns, beneficiaries, devisees, legatees, executors, administrators, agents, trustees, conservators,
24 guardians, personal representatives, and successors-in-interest, whether individual, class, representative,
25 legal, equitable, direct or indirect, or any other type or in any other capacity, shall and does hereby forever
26 release, discharge, and agree to hold harmless the Released Parties from any and all charges, complaints,
27 claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action,
28 suits, rights, demands, costs, losses, liens, debts, fines, restitutionary amounts, money owed, interest,

1 guarantees, and expenses (including, without limitation, wages, penalties, liquidated damages, punitive
2 damages, attorneys' fees, and costs), known or unknown, at law or in equity, which she may now have or
3 may have as of the date she executes this Stipulation, arising out of or in any way connected with her
4 employment with Defendant including, the Released Claims, claims that were asserted or could have been
5 asserted in the Complaint, and any and all transactions, occurrences, or matters between the Parties
6 occurring prior to the date this Stipulation is fully executed. Without limiting the generality of the
7 foregoing, this release shall include, but not be limited to, any and all claims under the (a) Americans With
8 Disabilities Act, as amended; (b) Title VII of the Civil Rights Act of 1964, as amended; (c) the Civil
9 Rights Act of 1991; (d) 42 U.S.C. § 1981, as amended; (e) the Age Discrimination in Employment Act,
10 as amended; (f) the Fair Labor Standards Act, as amended; (g) the Equal Pay Act; (h) the Employee
11 Retirement Income Security Act, as amended; (i) the Consolidated Omnibus Budget Reconciliation Act;
12 (j) the Rehabilitation Act of 1973; (k) the Family and Medical Leave Act; (l) the Civil Rights Act of 1966;
13 (m) the California Fair Employment and Housing Act; (n) the California Constitution; (o) the California
14 Labor Code; (p) the California Government Code; (q) the California Civil Code; (r) any Industrial Welfare
15 Commission Wage Order; and (s) any and all other federal, state, and local statutes, ordinances,
16 regulations, rules, and other laws, and any and all claims based on constitutional, statutory, common law,
17 or regulatory grounds, as well as any other claims based on theories of wrongful or constructive discharge,
18 breach of contract or implied contract, fraud, misrepresentation, promissory estoppel, intentional and/or
19 negligent infliction of emotional distress, or damages under any other federal, state, or local statutes,
20 ordinances, regulations, rules, or laws. This release is for any and all relief, no matter how denominated,
21 including, but not limited to, back pay, front pay, vacation pay, bonuses, compensatory damages, tortious
22 damages, liquidated damages, punitive damages, damages for pain and suffering, and attorneys' fees and
23 costs. Plaintiff hereby forever releases, discharges, and agrees to hold harmless Defendant and the
24 Released Parties from any and all claims for attorney' fees and costs arising out of the matters released in
25 this Stipulation. Plaintiff specifically acknowledges that she is aware of and familiar with the provisions
26 of California Civil Code Section 1542, which provides as follows:

27 **A general release does not extend to claims which the creditor or**
28 **releasing party does not know or suspect to exist in his or her favor at**
the time of executing the release, and that, if known by him or her,

would have materially affected his or her settlement with the debtor or released party.

Plaintiff, being aware of Section 1542, hereby expressly waives and relinquishes all rights and benefits she may have under Section 1542 as well as any other statutes or common law principles of a similar effect. Plaintiff may hereafter discover facts in addition to or different from those which she now knows or believes to be true with respect to the subject matter of all the claims referenced herein, but stipulates and agrees that, as of the date Plaintiff signs this Stipulation, Plaintiff shall and hereby does fully, finally, and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, contingent or non-contingent, that were asserted or could have been asserted upon any theory of law or equity without regard to the subsequent discovery of existence of such different or additional facts.

Plaintiff's Initials: _____

3. Circular 230 Disclaimer. Each Party to this Stipulation acknowledges and agrees that (1) no provision of this Stipulation, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) the Party (a) has relied exclusively upon her or its own independent legal and tax advisers for advice (including tax advice) in connection with this Stipulation, (b) has not entered into this Stipulation based upon the recommendation of any other Party or any attorney or advisor to any other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other Party to avoid any tax penalty that may be imposed on the Party; and (3) no attorney or adviser to any other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Stipulation.

XI. DUTIES OF THE PARTIES

1. Mutual Full Cooperation. The Parties agree to cooperate fully with one another to accomplish and implement the terms of this Stipulation. Such cooperation shall include, but not be limited to, execution of such other documents and the taking of such other actions as may reasonably be necessary

1 to fulfill the terms of this Stipulation. The Parties shall use their best efforts, including all efforts
2 contemplated by this Stipulation and any other efforts that may become necessary by Court order or
3 otherwise, to effectuate this Stipulation and the terms set forth herein. As soon as practicable after
4 execution of this Stipulation, Class Counsel, with the cooperation of Defendant and Defense Counsel,
5 shall take all necessary and reasonable steps to secure the Court's final approval of this Stipulation.

6 **2. Duty to Support and Defend the Class Settlement.** The Parties agree to abide by all of
7 the terms of this Stipulation in good faith and to support the Settlement fully and to use their best efforts
8 to defend this Settlement from any legal challenge, whether by appeal or collateral attack. Both Parties
9 agree to be bound by the terms of this Stipulation and not object to any of the terms of this Settlement.

10 **3. Duties Prior to Court Approval.** Promptly upon execution of this Stipulation, Class
11 Counsel shall apply to the Court for the entry of a preliminary order scheduling a hearing on the question
12 of whether the Settlement should be approved as fair, reasonable, and adequate as to the Class Members,
13 approving as to form and content the proposed Class Notice and Share Form attached hereto as **Exhibit 1**
14 and **Exhibit 2**, respectively, and directing the mailing of the Class Notice to Class Members. While
15 Defendant can reserve its right to object to facts or assertions made in the moving papers, Defense Counsel
16 shall file a notice of non-opposition to the granting of the motion for preliminary approval or join in the
17 motion.

18 **XII. MISCELLANEOUS PROVISIONS**

19 **1. Different Facts.** The Parties hereto, and each of them, acknowledge that, except for
20 matters expressly represented herein, the facts in relation to the dispute and all claims released by the
21 terms of this Stipulation may turn out to be other than or different from the facts now known by each
22 Party and/or its counsel, or believed by such Party or counsel to be true, and each Party therefore
23 expressly assumes the risk of the existence of different or presently unknown facts, and agrees that this
24 Stipulation shall be in all respects effective and binding despite such difference.

25 **2. No Prior Assignments.** The Parties represent, covenant, and warrant that they have not
26 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
27 any person or entity any portion of any liability, claim, demand, action, cause of action, or right herein
28 released and discharged except as set forth herein.

1 **3. Non-Admission.** Nothing in this Stipulation shall be construed as or deemed to be an
2 admission by any Party of any liability, culpability, negligence, or wrongdoing toward any other Party, or
3 any other person, and the Parties specifically disclaim any liability, culpability, negligence, or wrongdoing
4 toward the each other or any other person. Each of the Parties has entered into this Stipulation with the
5 intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and
6 contingencies. Nothing herein shall constitute any admission by Defendant of wrongdoing or liability, or
7 of the truth of any factual allegations in the Action. Nothing herein shall constitute any admission by
8 Defendant regarding the merits of the claims in this Action, including but not limited to claims for unpaid
9 wages or violations under California and/or federal law. Nothing herein shall constitute an admission by
10 Defendant that the Action was properly brought as a class or representative action other than for settlement
11 purposes. To the contrary, Defendant has denied and continues to deny each and every material factual
12 allegation and all claims asserted in the Complaint. To this end, the Settlement of the Action, the
13 negotiation and execution of this Stipulation, and all acts performed or documents executed pursuant to
14 or in furtherance of this Stipulation or the Settlement are not, shall not be deemed to be, and may not be
15 used as, an admission or evidence of any wrongdoing or liability on the part of Defendant or of the truth
16 of any of the factual allegations in the Complaint in the Action; and are not, shall not be deemed to be,
17 and may not be used as, an admission or evidence of any fault or omission on the part of Defendant in any
18 civil, criminal, or administrative proceeding in any court, administrative agency or other tribunal.

19 **4. Non-Evidentiary Use.** Neither this Stipulation nor any of its terms, nor any statements or
20 conduct in the negotiation or drafting of it, shall be offered or used as evidence by Plaintiff, any Class
21 Member (including any individual who requested to be excluded from the Class), Defendant, or its, her,
22 his, or their respective counsel, in the Action, except as is reasonably necessary to effectuate the
23 Stipulation's purpose and terms. This Stipulation may be used by Defendant and the Released Parties to
24 prove or defend against any claim released herein by any Class Member in any judicial, quasi-judicial,
25 administrative, or governmental proceeding.

26 **5. Media or Press.** The Parties and their counsel agree that they will not issue any press
27 releases, initiate any contact with the press, respond to any press inquiry, or have any communication with
28 the press about the fact, amount, or terms of the Settlement. In addition, the Parties and their counsel agree

1 that they will not engage in any advertising or distribute any marketing materials relating to the Settlement
2 of the Action, including but not limited to any postings on any websites maintained by Plaintiff's Counsel.
3 Any communication about the Settlement to Class Members prior to the Effective Date will be limited to
4 a statement that a settlement has been reached and the details will be communicated in a forthcoming
5 Court-approved notice. However, nothing herein shall prevent the Parties from informing counsel
6 purporting to represent absent Class Members that the Action has been resolved subject to the approval
7 by the Court and will settle the Released Claims.

8 **6. Non-Retaliation.** Defendant understands and acknowledges that it has a legal obligation
9 not to retaliate against any Class Member who elects to participate in the Settlement or elects to Opt-Out
10 of the Settlement. Defendant will refer any inquiries regarding this Settlement to the Settlement
11 Administrator or Class Counsel. None of the Parties, or their respective attorneys or agents, shall solicit
12 or encourage any Class Members, directly or indirectly, to Opt-Out of or object to the Settlement.

13 **7. Construction.** The Parties hereto agree that the terms and conditions of this Stipulation
14 are the result of lengthy, intensive, arms-length non-collusive negotiations between the Parties and that
15 this Stipulation is not to be construed in favor of or against any Party by reason of the extent to which any
16 Party or its counsel participated in the drafting of this Stipulation.

17 **8. Deadlines.** If any of the dates in the Stipulation fall on a weekend, bank, or Court holiday,
18 the time to act shall be extended to the next business day.

19 **9. Governing Law.** This Stipulation is intended to and shall be governed by the laws of the
20 State of California, without regard to conflict of law principles, in all respects, including execution,
21 interpretation, performance, and enforcement.

22 **10. Notices.** Except for Class Member notices required to be made by the Settlement
23 Administrator, any and all notices or other communications required or permitted under this Stipulation
24 shall be in writing and shall be sufficiently given if delivered to the Party's counsel in person, by U.S.
25 certified mail, postage prepaid, e-mail, facsimile, or overnight delivery addressed to the counsel identified
26 in the Definitions section of this Stipulation.

27 **11. Captions and Interpretations.** Section titles or captions contained herein are inserted as
28 a matter of convenience and for reference only and in no way define, limit, extend, or describe the scope

1 of this Stipulation or any provision thereof.

2 **12. Modification.** This Stipulation may not be changed, altered, or modified, except in
3 writing signed by the Parties and approved by the Court. This Stipulation may not be discharged except
4 by performance in accordance with its terms or by a writing signed by the Parties.

5 **13. Integration Clause.** This Stipulation contains the entire agreement between the Parties
6 relating to the Settlement of the Action and the transactions contemplated thereby, and all prior or
7 contemporaneous agreements, understandings, representations, and statements, whether oral or written,
8 and whether by a Party or such Party's legal counsel, are hereby superseded. No rights under this
9 Stipulation may be waived except in writing as provided above.

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

13 **15. Successors and Assigns.** This Stipulation shall be binding upon and inure to the benefit
14 of the Parties and Class Members (excluding only persons who timely Opt-Out) and their respective
15 present and former heirs, trustees, executors, administrators, representatives, officers, directors,
16 shareholders, agents, employees, insurers, attorneys, accountants, auditors, advisors, consultants, pension
17 and welfare benefit plans, fiduciaries, parent companies, subsidiaries, affiliates, related companies, joint
18 ventures, predecessors, successors, and assigns.

19 **16. Corporate Signatories.** Any person executing this Stipulation or any such related
20 document on behalf of a corporate signatory or on behalf of a partnership hereby warrants and promises,
21 for the benefit of all Parties hereto, that such person has been duly authorized by such corporation or
22 partnership to execute this Stipulation or any such related document.

23 **17. Execution in Counterparts.** This Stipulation shall become effective upon its execution
24 by all of the undersigned. The Parties may execute this Stipulation in counterparts, and execution of
25 counterparts shall have the same force and effect as if all Parties had signed the same instrument.

26 **18. Attorneys' Fees, Costs, and Expenses.** Except as otherwise specifically provided for
27 herein, each Party shall bear her or its own attorneys' fees, costs, and expenses, taxable or otherwise,
28 incurred by them in or arising out of the Action and shall not seek reimbursement thereof from any other

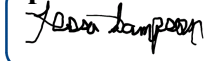
1 Party to this Stipulation.

2 **19. Action to Enforce Agreement.** In any suit or Court action to enforce the terms of this
3 Stipulation, the prevailing Party shall be entitled to recover her or its attorneys' fees and costs.

4 **IN WITNESS WHEREOF,** the Parties and their counsel have executed this Stipulation on the
5 date below their signatures or the signature of their representatives. The date of the Stipulation shall be
6 the date of the latest signature.

7 **Tessa Sampson**

Signed by:



AE927B84A2F146A...

8
9 Dated: 1/4/2022

Conveyors International, LLC

Printed: _____

Title: _____

Dated: _____



Jonathan Melmed, Esq.

Melmed Law Group P.C.

Attorneys for Plaintiff

Dated: 01/04/22

John Egley, Esq.

Call & Jensen

Attorneys for Defendant

Dated: _____

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7 **Tessa Sampson**

DIVERSIFIED
Conveyors International, LLC

8 _____



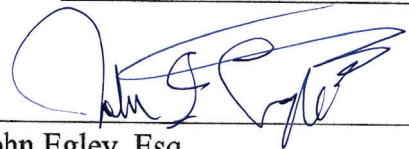
9 Dated: _____

Printed: BARRY WICKTOM

Title: CFO

Dated: 1/4/2022

Jonathan Melmed, Esq.
Melmed Law Group P.C.
Attorneys for Plaintiff
Dated: _____



John Egley, Esq.
Call & Jensen
Attorneys for Defendant
Dated: January 4, 2022