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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES – SPRING STREET**

VICTORIA HERNANDEZ, individually, and
on behalf of other members of the general
public similarly situated

Plaintiff,

vs.

ACCEPTANCE INSURANCE AGENCY OF
TENNESSEE INC., an unknown business
entity; and DOES 1 through 100, inclusive,

Defendants.

Case No. 20STCV03873

*Assigned for all purposes to: Hon. Yvette M.
Palazuelos, Dept. 9*

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

Filed date: January 30, 2020
Trial date: None

1 Settlement. Notwithstanding this deadline, Defendant shall provide Plaintiff with an accurate
2 number of Class Members within thirty (30) days of execution of this Settlement. “Class Period”
3 means the period from January 30, 2016, through November 10, 2021.

4 7. “Class Representative” means Plaintiff Victoria Hernandez in her capacity as
5 representative of the Participating Class Members.

6 8. “Class Representative Enhancement Payment” means the amount that the Court
7 authorizes to be paid to Plaintiff Victoria Hernandez, in addition to her Individual Settlement
8 Payment, in recognition of the efforts and risks she has taken in assisting with the prosecution of
9 the Action and in exchange for the General Release of her claims, known and unknown, as
10 provided herein.

11 9. “Court” means the Superior Court of the State of California for the County of Los
12 Angeles.

13 10. “Defendant” means Acceptance Insurance Agency of Tennessee, Inc.

14 11. “Defendant’s Counsel” means Littler Mendelson, P.C.

15 12. “Effective Date” means: the later of: (a) if no timely objections are filed or if all
16 objections are withdrawn, the date upon which the Court enters Final Approval; (b) if an objection
17 is filed and not withdrawn, the date for filing an appeal and no such appeal being filed; (c) if any
18 timely appeals are filed, the date of the resolution (or withdrawal) of any such appeal in a way
19 that does not alter the terms of the settlement.

20 13. “Employee Taxes” means Participating Class Members’ share of all applicable
21 payroll taxes or withholdings related to benefits received under the Settlement. Plaintiff and
22 Participating Class Members bear full responsibility for payment of any personal income taxes,
23 interest, or penalties arising from the Individual Settlement Payment or the Class Representative
24 Enhancement Payment paid to them.

25 14. “Employer Taxes” means Defendant’s share of applicable payroll taxes, such as
26 FICA and FUTA, for that portion of the Individual Settlement Payment attributed to wages. Any
27 payroll taxes owed by Defendant as a result of the Individual Settlement Payment to Participating
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1 Class Members shall be paid outside of the Gross Settlement Amount.

2 15. “Final Approval” means the Court entering an order granting final approval of the
3 Settlement Agreement.

4 16. “Final Judgment” means the order or orders entered and filed by the Court that:
5 (1) finally approves this Settlement, disposes of all issues raised in this Action, and bars
6 Participating Class Members from reasserting Settled Claims (as defined below) against Released
7 Parties (as defined below); and (2) awards and orders the payment of all required amounts
8 pursuant to the terms of this Agreement.

9 17. “Gross Settlement Amount” or “GSA” is the total monetary value of Settlement
10 payable by Defendant as provided herein, which is Eight Hundred Ninety-Five Thousand Dollars
11 (\$895,000.00). The Gross Settlement Amount includes all payments to Class Members under the
12 terms of this Agreement, Class Counsel’s Fees and Costs, the Settlement Administration Costs,
13 the Class Representative Enhancement Payment, and the PAGA Payment. The Gross Settlement
14 Amount includes the entirety of all payments to be paid by Defendant under the agreement with
15 the sole exception of Employer Taxes referenced above. The Gross Settlement Amount is non-
16 reversionary – no portion of the Gross Settlement Amount will return to Defendant.

17 18. “Individual Settlement Payment” means the amount payable from the Net
18 Settlement Amount to each Participating Class Member and any payment a PAGA Member is
19 eligible to receive from the employee portion of the PAGA Payment. Individual Settlement
20 Payments shall be paid by a Settlement Check made payable to Participating Class Members
21 and/or PAGA Members.

22 19. “Net Settlement Amount” means the funds available for payments to the Class,
23 which shall be the amount remaining after the following amounts are deducted from the Gross
24 Settlement Amount: (1) Class Counsel’s Fees and Costs; (2) Settlement Administration Costs; (3)
25 Class Representative Enhancement Payment; and (4) the PAGA Payment.

26 20. “Notice” means the Notice of Class Action Settlement in a form substantially
27 similar to the form attached hereto as Exhibit A, that will be mailed to Class Members’ last known
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1 addresses and which will provide Class Members with information regarding the Action and
2 information regarding the settlement of the Action.

3 21. “PAGA” means the California Labor Code Private Attorneys General Act of 2004
4 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”).

5 22. “PAGA Payment” means the amount that the Parties have agreed to allocate in
6 order to settle claims arising under the Private Attorneys General Act of 2004 (Cal. Lab. Code §§
7 2698, *et seq.*) (“PAGA”). The Parties have agreed that Seventy-Five Thousand Dollars
8 (\$75,000.00) of the Gross Settlement Amount will be allocated to the resolution of Plaintiff’s
9 PAGA Claims. Seventy Five Percent (75%) of this amount (\$56,250.00) will be paid to the
10 California Labor and Workforce Development Agency in accordance with Labor Code §§ 2698
11 *et seq.* Twenty Five Percent (25%) of this amount (\$18,750.00), will be distributed to PAGA
12 Members. PAGA Members will receive payment from the employee portion of the PAGA
13 Payment regardless of their decision to participate in the class action if the PAGA Payment is
14 approved by the Court.

15 23. “PAGA Period” means the period from November 26, 2018 through November
16 10, 2021.

17 24. “PAGA Members” means all current and former hourly-paid or non-exempt
18 employees who worked for Defendant in the State of California at any time during the PAGA
19 Period. In conjunction with the obligation to provide the Class Members numbers, Defendant
20 shall also provide the number of PAGA Members to Plaintiff’s Counsel within thirty (30) days
21 of execution of this Settlement.

22 25. “Parties” means Plaintiff and Defendant, collectively, and “Party” shall mean
23 either Plaintiff or Defendant, individually.

24 26. “Participating Class Members” means all Class Members who do not submit valid
25 and timely Requests for Exclusion.

26 27. “Plaintiff” means Victoria Hernandez.

27 28. “Preliminary Approval” means the Court order granting preliminary approval of

1 the Settlement Agreement.

2 29. "Objection" means a Class Member's valid and timely written objection to the
3 Settlement. For an Objection to be valid, it must include: (a) the objector's full name, address,
4 telephone number, last four digits of the employee's social security number or employee ID
5 number and (b) a written statement of all grounds for the objection accompanied by legal support,
6 if any, for such objection.

7 30. "Released Class Claims" means any and all claims, rights, demands, liabilities,
8 theories of relief, and causes of actions that are alleged or could have been alleged against the
9 Released Parties, or any of them, based on the facts and allegations asserted in the operative
10 complaint in the Action, for any acts occurring through the Class Period whether under state law
11 or common law, including violations of the California Labor Code, the California Wage Orders,
12 applicable regulations, Business and Professions Code section 17200, including as to the
13 following claims: (i) failure to pay all regular wages, minimum wages and overtime wages due,
14 including failure to properly calculate and pay overtime wages at the regular rate of pay; (ii)
15 failure to provide meal periods or compensation in lieu thereof; (iii) failure to authorize and permit
16 rest periods or compensation in lieu thereof; (iv) failure to reimburse necessary business expenses;
17 (v) failure to provide complete, accurate wage statements; (vi) failure to pay wages timely at time
18 of termination or resignation; (vii) failure to timely pay wages during employment; (viii) unfair
19 business practices that could have been premised on the claims, causes of action or legal theories
20 of relief described above or any of the claims, causes of action or legal theories of relief pleaded
21 in the operative complaint; (ix) failure to maintain required payroll records; and (x) and all
22 damages, reimbursement, restitution, losses, statutory penalties, fines, liens, attorneys' fees, costs,
23 expenses, debts, interest, penalties, injunctive or declaratory relief, chargebacks, liquidated
24 damages, or similar relief that could have been premised on the facts, claims, causes of action, or
25 legal theories described above.

26 31. "Released PAGA Claims" means all claims under PAGA, for civil penalties based
27 on the facts alleged in the notice sent by Plaintiff to the LWDA, and to the extent they were pled

1 in the operative Complaint, or which could have been alleged based on those facts, including all
2 civil penalties under PAGA for violations of the provisions of the applicable IWC Wage Orders
3 and the Labor Code as to all PAGA Members.

4 32. “Released Parties” means Defendant Acceptance Insurance Agency of Tennessee,
5 Inc., and its past, present and/or future, direct and/or indirect, officers, directors, members,
6 managers, employees, agents, representatives, attorneys, insurers, partners, investors,
7 shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors,
8 successors, assigns, and joint venturers.

9 33. “Request for Exclusion” means a valid and timely written statement submitted by
10 a Class Member requesting to be excluded from the Action as set forth in Paragraph 69 herein.

11 34. “Response Deadline” means the date sixty (60) days after the Settlement
12 Administrator mails Notice to Class Members and the last date on which Class Members may
13 submit Requests for Exclusion, written objections to the Settlement, or workweek disputes. In the
14 event the 60th day falls on a Sunday or Federal holiday, the Response Deadline will be extended
15 to the next day on which the U.S. Postal Service is open. The Response Deadline for Requests for
16 Exclusion or objections will be extended fifteen (15) calendar days for any Class Member who is
17 re-mailed a Notice by the Settlement Administrator, unless the 15th day falls on a Sunday or
18 Federal holiday, in which case the Response Deadline will be extended to the next day on which
19 the U.S. Postal Service is open. The Response Deadline may also be extended by express
20 agreement between Class Counsel and Defendant. Under no circumstances, however, will the
21 Settlement Administrator have the authority to unilaterally extend the deadline for Class Members
22 to submit a Request for Exclusion or objection to the settlement.

23 35. “Settlement” means the disposition of the Action pursuant to this Agreement.

24 36. “Settlement Administrator” means the neutral third-party administrator mutually
25 agreed upon by the Parties and approved of by the Court. The Parties each represent that they do
26 not have any financial interest in the Settlement Administrator or otherwise have a relationship
27 with the Settlement Administrator that could create a conflict of interest.

1 37. "Settlement Administration Costs" mean the costs payable from the Gross
2 Settlement Amount to the Settlement Administrator for administering this Settlement, including,
3 but not limited to, printing, distributing, and tracking documents for this Settlement,
4 calculating/confirming the class member Workweeks from the information contained in the Class
5 List, calculating each Participating Class Member's Individual Settlement Payment, tax reporting,
6 distributing the Gross Settlement Amount, providing necessary reports and declarations, and other
7 duties and responsibilities set forth herein to process this Settlement, and as requested by the
8 Parties. Settlement Administration Costs shall not exceed Twelve-Thousand Dollars
9 (\$12,000.00).

10 38. "Workweek" shall mean any calendar week (*i.e.*, a week beginning on Sunday and
11 ending on Saturday) in which a Class Member or PAGA Member worked at least 1 day.

12 **RECITALS**

13 40. Plaintiff's employment with Defendant ended in or around July 2018, and, on
14 January 30, 2020, Plaintiff filed the Action against Defendant. The Action asserted claims for:
15 (1) violation of Labor Code sections 510 and 1198 (unpaid overtime); (2) violation of Labor Code
16 sections 226.7 and 512 (a) (meal period premiums); (3) violation of Labor Code section 226.7
17 (unpaid rest period premiums); (4) violation of Labor Code sections 1194, 1197, 1197.1 (unpaid
18 minimum wages); (5) violation of Labor Code section 201 and 202 (final wages not timely paid);
19 (6) violation of Labor Code section 204 (wages not timely paid during employment); (7) violation
20 of Labor Code section 226(a) (non-compliant wage statements); (8) violation of Labor Code
21 section 1174 (d) (failure to keep requisite payroll records); (9) violation of Labor Code sections
22 2800 and 2802 (unreimbursed business expenses); and (10) violation of Business & Professions
23 Code sections 17220 *et seq.*

24 41. On March 20, 2020, Defendant filed an Answer to the Complaint that generally
25 denied the allegations asserted in the Action.

26 42. The Parties, through their counsel, agreed to conduct a mediation of this Action
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1 with experienced wage and hour class action mediator, Jeff Ross, Esq.

2 43. Class Counsel investigated the facts relating to the Action before the mediation.
3 In preparation for the mediation, the Parties engaged in substantial pre-mediation discovery,
4 sufficient to allow the Parties to evaluate the case, including the exchange of relevant documents,
5 the preparation of sample punch data, and the exchange of settlement metrics (class size,
6 workweeks, hourly pay rates, and so forth).

7 44. On July 15, 2021, Defendant and Class Counsel, on behalf of Named Plaintiff and
8 the class, attended a full-day mediation with Jeff Ross, Esq., in an attempt to resolve all disputes
9 related to the Action. After continued negotiation following mediation, during which the Class
10 Members, represented by Class Counsel, and Defendant, represented by Defendant’s Counsel,
11 recognized the burdens and risks of continuing with the litigation, the Parties reached an
12 understanding as to the settlement of all of the asserted claims at issue in the Action, subject to
13 final approval of the Court.
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15 45. On October 18, 2021, Plaintiff’s Counsel, on behalf of Plaintiff and PAGA
16 Members, gave written notice to the California Labor and Workforce Development Agency
17 (“LWDA”) of the Labor Code violations Defendant is alleged to have violated.

18 46. Defendant denies and continues to deny that it engaged in any misconduct in
19 connection with its wage-and-hour practices and policies, or that it has any liability or engaged
20 in wrongdoing of any kind associated with the claims alleged in this Action. Defendant further
21 contends that at all times it has complied with both federal and state wage-and-hour laws and with
22 all other laws regulating the employer-employee relationship that relate to the employment of the
23 Class Members.

24 47. Class Counsel is of the opinion that this Settlement is fair, reasonable, and
25 adequate, and is in the best interest of the Class in light of all known fact and circumstances,
26 including the risk of significant delay, defenses asserted to the merits and class certification, and
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1 the numerous and significant potential appellate issues. While Defendant specifically denies any
2 liability in the Action, Defendant has agreed to enter into this Settlement to avoid the cost and
3 business disruption associated with defending the Action.

4 **TERMS OF AGREEMENT**

5 48. Filing of Amended Complaint: The Parties filed a stipulation and order to permit
6 the filing of an amended complaint that shall add a cause of action under the PAGA. The First
7 Amended Complaint (the operative Complaint) was filed on February 24, 2022.

8 49. Settlement Consideration: Subject to final Court approval and the conditions
9 specified in this Agreement, and in consideration of the mutual covenants and promises set forth
10 herein, Defendant agrees to pay the GSA as defined above. The following will be paid out of the
11 Gross Settlement Amount: the sum of the Individual Settlement Payments, the Class
12 Representative Enhancement Payment, Class Counsel's Fees and Costs, the PAGA Payment, and
13 the Settlement Administration Costs, as specified in this Agreement. Except for any employer-
14 side taxes due on the Individual Settlement Payments, or as a result of an increase in the number
15 of workweeks as set forth below, Defendant shall not be required to pay more than the Gross
16 Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross
17 Settlement Amount will revert to Defendant.

18 50. Potential Increase to the Gross Settlement Amount: Defendant has represented
19 there are approximately 34,261 Workweeks within the Class Period and approximately 493 class
20 members. Should the actual number of Workweeks increase by more than ten percent (10%) (*i.e.*,
21 by more than 3,426 Workweeks) Defendant shall increase the Gross Settlement Amount on a *pro-*
22 *rata* basis equal to the percentage increase in the number of Workweeks worked by the Class
23 Members above 10%. For example, if the number of Workweeks increases by 11%, the Gross
24 Settlement Amount will increase by 1%.

25 51. Funding of the Gross Settlement Amount: Within twenty (20) calendar days of
26 the Effective Date of the Settlement, Defendant will deposit the Gross Settlement Amount and all
27 applicable employer-side payroll taxes into a Qualified Settlement Fund ("QSF") to be
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1 established by the Settlement Administrator. Defendant shall provide all information necessary
2 for the Settlement Administrator to calculate necessary payroll taxes including its official name,
3 8-digit state unemployment insurance tax ID number no later than seven (7) calendar days after
4 the Settlement Administrator requests the same of Defendant and after the Effective Date. The
5 remittance of the GSA to the Settlement Administrator shall constitute the full and complete
6 discharge of the entire financial obligation of Defendant under this Agreement except for the
7 employer portion of taxes.

8 52. Distribution of the Gross Settlement Amount: Within fourteen (14) calendar days
9 of the funding of the Settlement, the Settlement Administrator will issue payments for: (a)
10 Individual Settlement Payments; (b) the PAGA Payment; (c) the Class Representative
11 Enhancement Payment; (d) Class Counsel's Fees and Costs and (e) Settlement Administration
12 Costs. No person shall have any claim against the Settlement Administrator, Defendant, Class
13 Counsel, Defendant's counsel, or any other agent designated by Named Plaintiff or Defendant
14 based upon the distribution of Settlement Payments made substantially in accordance with this
15 Agreement or further orders of the Court.

16 53. Attorneys' Fees and Costs: Defendant agrees not to oppose any application or
17 motion by Class Counsel for Class Counsel's Fees and Costs which shall not exceed Thirty-Five
18 percent (35%) of the GSA or Three Hundred Thirteen Thousand Two Hundred Fifty Dollars
19 (\$313,250.00) plus the reimbursement of costs and expenses associated with the litigation and
20 settlement of the Action, in an amount not to exceed Thirty-Five Thousand Dollars (\$35,000.00),
21 both of which will be paid from the Gross Settlement Amount. Any portion of the requested fees
22 or costs that is not awarded to the Class Counsel shall be reallocated to the Net Settlement Amount
23 and distributed to Participating Class Members as provided in this Agreement and will not
24 invalidate this Agreement. Class Counsel will be issued an IRS Form 1099 for any fees and costs
25 awarded by the Court pursuant to this Agreement. Except as provided in this Paragraph, each of
26 the Parties shall bear his, her, their, or its own attorneys' fees, costs, and expenses incurred in the
27 prosecution, defense, or settlement of the Action. Class Counsel agrees that any allocation of fees
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1 between or among each of the Class Counsel or among the Class Counsel and any other attorney
2 who may be representing Named Plaintiff or the Class shall be the sole responsibility of Class
3 Counsel.

4 54. Class Representative Enhancement Payment: Defendant agrees not to oppose or
5 object to any application or motion by Plaintiff for Class Representative Enhancement Payment
6 of Seven Thousand Five Hundred Dollars (\$7,500.00) for Plaintiff Victoria Hernandez. The Class
7 Representative Enhancement Payment is in exchange for the General Release of the Plaintiff's
8 individual claims and for her time, effort, and risk in bringing and prosecuting this Action. Any
9 portion of the requested Class Representative Enhancement Payment that is not awarded to the
10 Class Representative shall be reallocated to the Net Settlement Amount and distributed to
11 Participating Class Members as provided in this Agreement. Plaintiff will be issued an IRS Form
12 1099 for the Class Representative Enhancement Award approved by the Court pursuant to this
13 Paragraph.

14 55. Settlement Administration Costs: The Settlement Administrator will be paid for
15 the reasonable costs of administration of the Settlement and distribution of payments from the
16 Gross Settlement Amount as further set forth in this Agreement. Settlement Administration Costs
17 shall not exceed Twelve Thousand Dollars (\$12,000.00).

18 56. PAGA Payment: Seventy-Five Thousand Dollars (\$75,000.00) shall be allocated
19 from the Gross Settlement Amount for settlement of claims for civil penalties under the PAGA.
20 The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Payment, or
21 Fifty-Six Thousand Two-Hundred Fifty Dollars (\$56,250.00), to the LWDA. Eighteen Thousand
22 Seven Hundred Fifty Dollars (\$18,750.00) will be distributed to PAGA Members on a *pro rata*
23 basis as set forth herein and is hereinafter referred to as the "PAGA Amount". PAGA Members
24 shall receive their portion of the PAGA Payment regardless of their decision to opt-out of the
25 class settlement.

26 57. Net Settlement Amount for Payment of Class Claims: The Net Settlement Amount
27 will be the amount used to satisfy Individual Settlement Payments and is the amount remaining

1 after deducting the following from the GSA:

| | | | |
|---|--|-----------|-------------------|
| 2 | Enhancement Payment: | \$ | 7,500.00 |
| 3 | Class Counsel's Fees: | \$ | 313,250.00 |
| 4 | Class Counsel's Costs: | \$ | 35,000.00 |
| 5 | PAGA Payment | \$ | 75,000.00 |
| 6 | Settlement Administration Costs: | \$ | 12,000.00 |
| 7 | Estimated Net Settlement Amount | \$ | 452,250.00 |

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9 58. Individual Settlement Payment Calculations: Individual Settlement Payments will
10 be paid from the Net Settlement Amount and the 25% portion of the PAGA Payment allocated
11 for PAGA Members and shall be paid pursuant to the formula set forth herein:

12 a) Calculation of Class Portion of Individual Settlement Payments: The
13 Settlement Administrator will calculate the total Workweeks for all
14 Participating Class Members by adding the number of Workweeks worked by
15 each Participating Class Member during the Class Period. The respective
16 Workweeks for each Participating Class Member will be divided by the total
17 Workweeks for all Participating Class Members, resulting in the Payment
18 Ratio for each Participating Class Member. Each Participating Class
19 Member's Payment Ratio will then be multiplied by the Net Settlement
20 Amount to calculate each Settlement Class Member's estimated share of the
21 Net Settlement Amount.

22 b) Calculation of PAGA Portion of Individual Settlement Payments: The
23 Settlement Administrator will calculate the total Workweeks for all PAGA
24 Members by adding the number of Workweeks worked by each PAGA
25 Member during the PAGA Period. The respective Workweeks for each
26 PAGA Member will be divided by the total Workweeks for all PAGA
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1 Members, resulting in the Payment Ratio for each PAGA Member. Each
2 PAGA Member's Payment Ratio will then be multiplied by the PAGA
3 Amount of the PAGA Payment to calculate each PAGA Member's estimated
4 share of the PAGA Payment. PAGA Members shall receive this portion of
5 their Individual Settlement Payment regardless of whether they opt out of the
6 participation regarding the class claims.

7 c) Tax Allocation of Individual Settlement Payments: All Individual Settlement
8 Payments will be allocated as follows: one-third (1/3) of each Individual
9 Settlement Payment will be allocated as wages, one-third (1/3) shall be
10 allocated as interest, and one-third (1/3) shall be allocated as penalties. The
11 portion of the Individual Settlement Payment allocated to wages will be
12 reported by the Settlement Administrator on an IRS Form W-2. The
13 remaining non-wage payments will be reported on an IRS Form-1099 by the
14 Settlement Administrator. The Settlement Administrator shall calculate and
15 remit to applicable governmental agencies sufficient amounts as may be owed
16 by Participating Class Members for applicable Employee Taxes. Defendant's
17 share of applicable Employer Taxes shall be added to the amount due and
18 owing from Defendant at the time settlement payment is due and will be in
19 addition to, but not included in, the GSA.

20 59. No Credit Toward Benefit Plans: The Individual Settlement Payments made to
21 Participating Class Members under this Settlement, as well as any other payments made pursuant
22 to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans
23 to which any Class Members may be eligible, including, but not limited to profit-sharing plans,
24 bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and
25 any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not
26 affect any rights, contributions, or amounts to which any Class Members may be entitled under
27

1 any benefit plans.

2 60. Release by Participating Class Members: As of the date on which Defendant fully
3 funds the settlement, Plaintiff and all Participating Class Members hereby do and shall be deemed
4 to have fully, finally, and forever released, settled, compromised, relinquished, and discharged
5 any and all of the Released Parties of and from any and all Released Class Claims during the
6 Class Period. The Parties agree for settlement purposes only that, because the Class Members are
7 so numerous, it is impossible or impracticable to have each Participating Class Member execute
8 this Agreement. Accordingly, the Class Notice will advise all Class Members of the binding
9 nature of the release and such notice shall have the same force and effect as if this Agreement
10 were executed by each Class Member. Plaintiff represents, covenants, and warrants that she has
11 not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
12 encumber to any person or entity any portion of any liability, claim, demand, action, cause of
13 action, or rights herein released and discharged, except as set forth herein.

14 61. Release of PAGA: As of the date on which Defendant fully funds the settlement,
15 Plaintiff, the LWDA, and the State of California release the Released Parties of and from the
16 Released PAGA Claims that could have been asserted under PAGA based on the factual
17 allegations in the Action, for the PAGA Period. The fact that a PAGA Member has decided not
18 to participate in the Class Settlement shall not affect the Release of PAGA claims arising under
19 PAGA. A copy of this Agreement will be provided to the LWDA concurrently with submission
20 of the Preliminary Approval Motion.

21 62. Full Release of Additional Claims & Rights by Plaintiff: As of the date on which
22 Defendant fully funds the settlement, Plaintiff Victoria Hernandez fully releases the Released
23 Parties from any and all Released Claims and also generally releases and discharges the Released
24 Parties from any and all claims, demands, obligations, causes of action, rights, or liabilities of any
25 kind which have been or could have been asserted against the Released Parties arising out of or
26 relating to her employment by Defendant or termination thereof, including but not limited to
27 violations of any federal or state employment discrimination laws, including the California Fair

1 Employment and Housing Act; Title VII of the Civil Rights Act of 1964; the federal Family and
2 Medical Leave Act; the California Family Rights Act; the Americans With Disabilities Act; the
3 National Labor Relations Act; the Equal Pay Act; the Employee Retirement Income Security Act
4 of 1974; as well as Claims arising out of or related to violations of the provisions of the California
5 Labor Code; the California Government Code; California Wage Orders, the California Business
6 & Professions Code, including Business & Professions Code Section 17200, *et seq.*; PAGA; state
7 and federal wage and hour laws; breach of contract; fraud; misrepresentation; common counts;
8 unfair competition; unfair business practices; negligence; defamation; infliction of emotional
9 distress; invasion of privacy; assault; battery; false imprisonment; wrongful termination;
10 constructive discharge; retaliation; and any other state or federal law, rule, or regulation. This
11 release specifically includes any and all claims, demands, obligations and/or causes of action for
12 damages, restitution, penalties, interest, and attorneys' fees and costs (except provided by the
13 Settlement Agreement) relating to or in any way connected with the matters referred to herein,
14 whether or not known or suspected to exist, and whether or not specifically or particularly
15 described herein. Specifically, Plaintiff Victoria Hernandez, waives all rights and benefits
16 afforded by California Civil Code Section 1542, which provides:

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

22 This release specifically excludes claims for unemployment insurance, disability, social security,
23 and workers compensation (with the exception of claims arising pursuant to California Labor
24 Code Sections 132(a) and 4553).

25 63. Settlement Administration Process: The Parties agree to cooperate in the
26 administration of the Settlement and to make all reasonable efforts to control and minimize the
27 costs and expenses incurred in administration of the Settlement. The Settlement Administrator

1 will provide the following services:

- 2 a) Establish and maintain a Qualified Settlement Fund. The Parties agree that
3 the GSA will qualify as a settlement fund pursuant to the requirements of
4 Section 468(B)(g) of the Internal Revenue Code of 1986, as amended, and
5 Section 1.468B-1, *et seq.* of the income tax regulations. Furthermore, the
6 Settlement Administrator is hereby designated as the “Administrator” of
7 the qualified settlement funds for purposes of Section 1.46B-2(k) of the
8 income tax regulations. As such, all taxes imposed on the gross income of
9 the GSA and any tax-related expenses arising from any income tax return
10 or other reporting document that may be required by the Internal Revenue
11 Service or any state or local taxing body will be paid by the Settlement
12 Administrator.
- 13 b) Calculate the Individual Settlement Payment to each Participating Class
14 Member is eligible to receive and the portion of the PAGA Payment each
15 PAGA Member shall receive.
- 16 c) Translate the Notice from English to Spanish.
- 17 d) Print and mail the Notice in English and Spanish.
- 18 e) Conduct additional address searches for mailed Notices that are returned
19 as undeliverable.
- 20 f) Process Requests for Exclusion, field inquiries from Class Members,
- 21 g) Print and issue Settlement Payment Checks, prepare IRS W2 and 1099 Tax
22 Forms and any other filings required by any governmental taxing authority.
- 23 h) Provide declarations and/or other information to this Court as requested by
24 the Parties and/or the Court.
- 25 i) Provide weekly status reports to counsel for the Parties.
- 26 j) Post a notice of final judgment online **Error! Hyperlink reference not valid.**
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1 at Settlement Administrator's website.

2 The Settlement Administrator (along with any of its agents) shall represent and warrant
3 that it will: (a) provide reasonable and appropriate administrative, physical, and technical
4 safeguards for any personally identifiable information ("PII") which it receives from Defendant;
5 (b) not disclose the PII to third parties, including agents or subcontractors, without Defendant's
6 consent; (c) not disclose or otherwise use the PII other than to carry out its duties as set forth
7 herein; (d) promptly provide Defendant with notice if PII is subject to unauthorized access, use,
8 disclosure, modification, or destruction; and (e) return or destroy the PII upon termination of its
9 services.

10 64. Delivery of the Class List: Within twenty-one (21) calendar days of Preliminary
11 Approval, Defendant will provide the Class List to the Settlement Administrator. This is a
12 material term of the Agreement, and if Defendant fails to comply, Plaintiff shall have the right to
13 rescind the Agreement.

14 65. Notice by First-Class U.S. Mail: Within fourteen (14) calendar days after receiving
15 the Class List from Defendant, the Settlement Administrator will mail the Notice to all Class
16 Members via regular First-Class U.S. Mail, using the most current, known mailing addresses
17 identified in the Class List.

18 66. Confirmation of Contact Information in the Class List: Prior to mailing, the
19 Settlement Administrator will perform a search based on the National Change of Address
20 Database for information to update and correct for any known or identifiable address changes.
21 Any Notice returned to the Settlement Administrator as non-deliverable on or before the Response
22 Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed
23 thereto and the Settlement Administrator will indicate the date of such re-mailing on the Notice.
24 If no forwarding address is provided, the Settlement Administrator will promptly attempt to
25 determine the correct address using a skip-trace, or other search using the name, address and/or
26 Social Security number of the Class Member involved, and will then perform a single re-mailing.
27 If any notice sent to a Class Member by the Settlement Administrator is returned as undeliverable

1 to a current employee, then Defendant shall make reasonable efforts to obtain the current address
2 from the Class Member and provide the same within seven (7) calendar days of notice from the
3 Settlement Administrator. Those Class Members who receive a re-mailed Notice, whether by
4 skip-trace or by request, will have between the later of (a) an additional fifteen (15) calendar days
5 or (b) the Response Deadline to postmark a Request for Exclusion, or an objection to the
6 Settlement. Unless they submit a Request for Exclusion, Class Members who cannot be reached
7 after a re-mailing as discussed in this Paragraph will still be bound by the Release of Claims set
8 forth in Paragraph 69, below.

9 67. Notice: All Class Members will be mailed a Notice in English and Spanish. Each
10 Notice will provide: (a) information regarding the nature of the Action; (b) a summary of the
11 Settlement's principal terms; (c) the Class definition; (d) the total number of Workweeks each
12 respective Class Member worked for Defendant during the Settlement Class Period; (e) each
13 Class Member's estimated Individual Settlement Payment and the formula for calculating
14 Individual Settlement Payments; (f) the dates which comprise the Class Period; (g) the deadlines
15 by which the Class Member must postmark Requests for Exclusion, Objections to the Settlement,
16 or Workweek Disputes; (h) the claims to be released, as set forth herein; and (j) the date for the
17 final approval hearing. The Parties' agreed-upon notice is attached hereto as **Exhibit A**.

18 68. Disputed Information on Notice: Class Members will have an opportunity to
19 dispute the information provided in their Notice. To the extent Class Members dispute the number
20 of Workweeks with which they have been credited or the amount of their Individual Settlement
21 Payment, Class Members may produce evidence to the Settlement Administrator showing that
22 such information is inaccurate. Absent evidence rebutting Defendant's records, Defendant's
23 records will be presumed determinative. However, if a Class Member produces evidence to the
24 contrary by the Response Deadline, the Parties will evaluate the evidence submitted by the Class
25 Member and the Parties will make the final decision as to the number of eligible Workweeks that
26 should be applied and/or the Individual Settlement Payment to which the Class Member may be
27 entitled. If the Parties do not agree, the dispute will be submitted to the Court.

1 69. Request for Exclusion Procedures: Any Class Member wishing to opt-out from the
2 Action must sign and postmark a written Request for Exclusion to the Settlement Administrator
3 by the Response Deadline. The Request for Exclusion must include: (a) the Class Member's
4 name, address, telephone number, and the last four digits of the Class Member's Social Security
5 number and/or the Employee ID number and (b) a clear statement requesting to be excluded from
6 the settlement of the class claims. The date of the postmark on the return mailing envelope receipt
7 confirmation will be the exclusive means to determine whether a Request for Exclusion has been
8 timely submitted. All Requests for Exclusion will be submitted to the Settlement Administrator,
9 who will certify jointly to Class Counsel and Defendant's Counsel the Requests for Exclusion
10 that were timely submitted. All Class Members who do not request exclusion from the Action
11 will be bound by all terms of the Settlement Agreement if the Settlement is granted final approval
12 by the Court. The Request for Exclusion shall not be effective as to the release of claims arising
13 under the PAGA. The Settlement Administrator shall not review or consider any Request for
14 Exclusion postmarked after the end of the Response Deadline. It shall be conclusively presumed
15 that, if a Request for Exclusion is not postmarked on or before the end of the Response Deadline,
16 the Class Member did not make the request in a timely manner. A declaration submitted by any
17 Class Member attesting to the mailing of a Request for Exclusion on or before the expiration of
18 the Response Deadline shall be insufficient to overcome the conclusive presumption that the
19 Request for Exclusion was not postmarked on or before the expiration of the Response Deadline.
20 Under no circumstances shall the Settlement Administrator have the authority to extend the
21 deadline for Class Members to submit a Request for Exclusion. No later than fifteen (15) calendar
22 days after the deadline for submission of Requests for Exclusion from the Settlement, the
23 Settlement Administrator will provide counsel for the parties with a complete and accurate list of
24 all Class Members who submitted timely and effective Requests for Exclusion.

25 70. Defective Submissions: If a Class Member's timely Request for Exclusion is
26 defective as to the requirements listed herein, that Class Member will be given an opportunity to
27 cure the defect(s). The Settlement Administrator will mail the Class Member a cure letter within
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1 three (3) business days of receiving the defective submission to advise the Class Member that his
2 or her submission is defective and that the defect must be cured to render the Request for
3 Exclusion valid. The Class Member will have until the later of (a) the Response Deadline or (b)
4 ten (10) calendar days from the date of the cure letter, whichever date is later, to postmark a
5 revised Request for Exclusion. If a Class Member responds to a cure letter by filing a defective
6 claim, then the Settlement Administrator will have no further obligation to give notice of a need
7 to cure. If the revised Request for Exclusion is not postmarked within that period, it will be
8 deemed untimely.

9 71. Defendant's Right to Rescind: If seven and a half percent (7.5%) or more of the
10 Class Members elect not to participate in the Settlement, Defendant may, at its election, rescind
11 the Settlement Agreement and all actions taken in furtherance of it will be thereby null and void.
12 Defendant must notify Class Counsel of its election to rescind the Agreement within fourteen (14)
13 calendar days of the Settlement Administrator notifying the Parties of these opt-outs under
14 Paragraph 69. If Defendant exercises its right to rescind the Agreement, Defendant shall be
15 responsible for all Settlement Administration Costs incurred to the date of rescission. However,
16 if this Agreement is terminated (except as provided by paragraph 64) or breached in any way by
17 Plaintiff, then Plaintiff, through Class Counsel, shall be responsible to pay the Settlement
18 Administrator's fees and costs to date.

19 72. Settlement Terms Bind All Class Members Who Do Not Opt-Out: Any Class
20 Member who does not affirmatively opt-out of the Settlement by submitting a timely and valid
21 Request for Exclusion will be bound by all of its terms, including those pertaining to the Released
22 Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the
23 Settlement. Class Members who opt-out of the Settlement shall not be bound by such Judgment
24 or release, except they will be bound by the release of claims under the PAGA set forth in
25 Paragraph 61. The names of Class Members who have opted-out of the settlement shall be
26 disclosed to the Counsel for both Plaintiff and Defendant and noted in the proposed Judgment
27 submitted to the Court.

1 73. Objection Procedures: To object to the Settlement, a Participating Class Member
2 must postmark a valid Objection to the Settlement Administrator on or before the Response
3 Deadline. The Objection must be signed by the Participating Class Member and contain all
4 information required by this Settlement Agreement including the employees full name, address,
5 telephone number, the last four digits of their social security number and/or Employee ID number,
6 and the specific reason including any legal grounds for the Participating Class Members objection.
7 The postmark date will be deemed the exclusive means for determining that the Notice of
8 Objection is timely. Participating Class Members who fail to object in the manner specified above
9 may still appear at the Final Approval Hearing in order to have their objections heard by the
10 Court. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage
11 Participating Class Members to submit written objections to the Settlement or appeal from the
12 Order and Judgment. Class Counsel will not represent any Class Members with respect to any
13 objections to this Settlement.

14 74. Certification Reports Regarding Individual Settlement Payment Calculations: The
15 Settlement Administrator will provide Defendant’s Counsel and Class Counsel a weekly report
16 which certifies: (a) the number of Class Members who have submitted valid Requests for
17 Exclusion; (b) the number of Notices returned and re-mailed; and (c) whether any Class Member
18 has submitted a challenge to any information contained in the Notice. Additionally, the Settlement
19 Administrator will provide to counsel for both Parties any updated reports regarding the
20 administration of the Settlement Agreement as needed or requested.

21 75. Uncashed Settlement Checks: Any checks issued by the Settlement Administrator
22 to Participating Class Members and PAGA Members will be negotiable for at least one hundred
23 eighty (180) calendar days. If a Participating Class Member or PAGA Member does not cash his
24 or her Settlement Check or PAGA Payment check within 180 days, the uncashed funds, subject
25 to Court approval, shall be distributed to the Controller of the State of California to be held
26 pursuant to the Unclaimed Property Law, California Civil Code §1500, *et. seq.* for the benefit of
27 those Participating Class Members and PAGA Members who did not cash their checks until such

1 time that they claim their property. The Parties agree that this disposition results in no “unpaid
2 residue” under California Civil Procedure Code § 384, as the entire Net Settlement Amount will
3 be paid out to Participating Class Members and PAGA Members, whether or not they all cash
4 their Settlement Checks or PAGA payment checks. Therefore, Defendant will not be required to
5 pay any interest on such amounts. The Individual Settlement Payments provided to Participating
6 Class Members and to PAGA Members shall prominently state the expiration date or a statement
7 that the Settlement Check will expire in one hundred eighty (180) days, or alternatively, such a
8 statement may be made in a letter accompanying the Individual Settlement Payment. Expired
9 Individual Settlement Payments will not be reissued, except for good cause and as mutually
10 agreed by the Parties in writing. The parties agree no unclaimed funds will result from the
11 settlement.

12 76. Administration of Taxes by the Settlement Administrator: The Settlement
13 Administrator will be responsible for issuing to Plaintiff, Participating Class Members, and Class
14 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid
15 pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding
16 all payroll taxes and penalties to the appropriate government authorities.

17 77. Tax Liability: Defendant makes no representation as to the tax treatment or legal
18 effect of the payments called for hereunder, and Plaintiff and Participating Class Members are
19 not relying on any statement, representation, or calculation by Defendant, Defendant’s Counsel,
20 or by the Settlement Administrator in this regard. Plaintiff and Participating Class Members
21 understand and agree that they will be solely responsible for the payment of any taxes and
22 penalties assessed on the payments described herein. Defendant’s share of any employer payroll
23 taxes and other required employer withholdings due on the Individual Settlement Payments,
24 including, but not limited to, Defendant’s FICA and FUTA contributions, shall be paid separate
25 and apart from the Gross Settlement Amount.

26 78. Circular 230 Disclaimer: Each Party to this Agreement (for purposes of this
27 section, the “acknowledging party” and each Party to this Agreement other than the
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1 acknowledging party, an “other party”) acknowledges and agrees that: (1) no provision of this
2 Agreement, and no written communication or disclosure between or among the Parties or their
3 attorneys and other advisers, is or was intended to be, nor shall any such communication or
4 disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United
5 States Treasury Department circular 230 (31 CFR part 10, as amended); (2) the acknowledging
6 party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for
7 advice (including tax advice) in connection with this Agreement, (b) has not entered into this
8 Agreement based upon the recommendation of any other Party or any attorney or advisor to any
9 other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney
10 or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging
11 party, and (3) no attorney or adviser to any other Party has imposed any limitation that protects
12 the confidentiality of any such attorney’s or adviser’s tax strategies (regardless of whether such
13 limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or
14 tax structure of any transaction, including any transaction contemplated by this Agreement.

15 79. No Prior Assignments: The Parties and their counsel represent, covenant, and
16 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
17 to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand,
18 action, cause of action or right herein released and discharged.

19 80. Nullification of Settlement Agreement: Either Party may terminate this Settlement
20 by giving written notice to the other Party (through its counsel) no later than twenty (20) calendar
21 days after receiving notice that one of the following has occurred: (1) the Court enters a
22 Preliminary Approval Order, Final Approval Order, or the Final Judgment that materially changes
23 the terms of the Settlement in that the Court’s order changes the class definition and scope,
24 settlement amount, the wage allocation of each Class Member’s Settlement Award for tax
25 purposes is changed to less than 1/3, and/or scope or substance of the release and settled claims
26 (hereinafter referred to as “Material Terms”), except as otherwise provided for in this Settlement;
27 (2) the Court declines to enter a Preliminary Approval Order, Final Approval Order, or Final

1 Judgment without necessitating a change to any of the aforementioned Material Terms of the
2 Settlement, except as otherwise provided for in this Settlement; (3) the Settlement does not
3 become final because of any appellate court action; or (4) the Court’s Final Approval of the
4 Settlement is reversed or materially modified on appellate review, with the understanding that
5 “materially modified” means a change to the Material Terms of the Settlement, except as
6 otherwise provided for in this Settlement. In the event notice of termination of this Settlement is
7 provided in accordance with the foregoing, this Settlement will become and shall be considered
8 null and void, and it will have the following effects: (1) the Parties will have no further obligations
9 under the Settlement; (2) Defendant shall have no obligation to make any payments to any person,
10 party, Class Member or attorney that otherwise would have been owed under this Settlement; (3)
11 Plaintiff and Defendant will each pay their share of the Settlement Administrator’s reasonable
12 fees and expenses incurred as of the date that the Settlement is terminated; (4) the Preliminary
13 Approval Order, Final Approval Order, and Final Judgment, including any order of class
14 certification, shall be vacated; (5) the Settlement and all negotiations, statements and proceedings
15 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be
16 restored to their respective positions in the Action prior to the Settlement; and (6) neither this
17 Settlement nor any ancillary documents, actions, statements or filings in furtherance of settlement
18 (including all matters associated with the mediation) shall be admissible or offered into evidence
19 in the Action or any other case or proceeding for any purpose whatsoever, unless needed in order
20 to respond to, or effectuate, an appeal of a decision by the trial court or Court of Appeal regarding
21 the Settlement.

22 81. Should the Court fail to approve this settlement for any reason, the Parties agree
23 that they will return to and attend mediation with a mutually agreed Mediator in an effort to reach
24 a settlement that may be approved by the Court.

25 82. Preliminary Approval Hearing: Plaintiff will obtain a hearing before the Court to
26 request Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary
27 Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes

1 only, (b) Preliminary Approval of the proposed Settlement Agreement, and (c) setting a date for
2 a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for
3 the Notice to be sent to all Class Members as specified herein. In conjunction with the Preliminary
4 Approval hearing, Plaintiff will submit this Agreement, which sets forth the terms of the
5 Settlement, and will include the proposed Notice attached as Exhibit A. Defendant agrees that it
6 will not oppose Plaintiff's motion for Preliminary Approval so long as it and its supporting papers
7 are consistent with the terms of this Agreement. Class Counsel shall provide Defendant with a
8 reasonable opportunity to review, and provide comments to, the Preliminary Approval Motion
9 before filing it with the Court. Notwithstanding the foregoing, Defendant may, without opposing
10 the Preliminary Approval Motion, advise the Court if Defendant disagrees with or wishes to
11 clarify any of the factual statements included by Named Plaintiff in the Preliminary Approval
12 Motion. Any failure by the Court to fully and completely approve the Agreement as to the Action
13 will result in this Settlement Agreement and all obligations thereunder being nullified and voided.

14 83. Final Settlement Approval Hearing and Entry of Judgment: Upon expiration of the
15 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and
16 with the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to
17 determine the Final Approval of the Settlement Agreement along with the amounts properly
18 payable for: (a) Individual Settlement Payments; (b) the Attorneys' Fees and Costs; (c) the Class
19 Representative Enhancement Payment; and (d) the Settlement Administration Costs. Class
20 Counsel will be responsible for drafting all documents necessary to obtain Final Approval. Class
21 Counsel shall provide Defendant's Counsel with reasonable opportunity to review, provide any
22 comments to, and approve the Motion for Final Approval prior to filing it with the Court.
23 Defendant agrees it shall not oppose the granting of the Motion for Final Approval, provided
24 Defendant has not exercised its right to rescind pursuant to the terms of this Agreement.

25 84. Judgment and Continued Jurisdiction: Upon Final Approval of the Settlement by
26 the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the
27 Judgment to the Court for its approval. After entry of the Judgment, the Court will have continuing
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1 jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms
2 of the Settlement, (b) Settlement administration matters, and (c) such post-Judgment matters as
3 may be appropriate under court rules or as set forth in this Settlement.

4 85. Exhibits Incorporated by Reference: The terms of this Settlement include the terms
5 set forth in any attached Exhibits, which are incorporated by this reference as though fully set
6 forth herein. Any Exhibits to this Settlement are an integral part of the Settlement.

7 86. Entire Agreement: This Settlement Agreement and any attached Exhibits
8 constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written
9 or oral agreements may be deemed binding on the Parties.

10 87. Amendment or Modification: Subject to the Court's approval, this Settlement
11 Agreement may be amended or modified only by a written instrument signed by all signatories to
12 this Agreement. This Agreement may not be amended, altered, modified, or waived, in whole or
13 in part, orally.

14 88. Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant
15 and represent they are expressly authorized by the Parties whom they represent to negotiate this
16 Settlement Agreement and to take all appropriate action required or permitted to be taken by such
17 Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other
18 documents required to effectuate the terms of this Settlement Agreement. The Parties and their
19 counsel will cooperate with each other and use their best efforts to affect the implementation of
20 the Settlement. If the Parties are unable to reach agreement on the form or content of any
21 document needed to implement the Settlement, or on any supplemental provisions that may
22 become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance
23 of the Court to resolve such disagreement.

24 89. Binding on Successors and Assigns: This Settlement Agreement will be binding
25 upon, and inure to the benefit of, the Parties and their respective successors, assigns, executors,
26 administrators, and heirs.

27 90. California Law Governs: All terms of this Settlement Agreement and Exhibits
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1 hereto will be governed by and interpreted according to the laws of the State of California.

2 91. Execution and Counterparts: This Settlement Agreement is subject only to the
3 execution of all Parties. However, the Settlement Agreement may be executed in one or more
4 counterparts. All executed counterparts and each of them, including facsimile and scanned copies
5 of the signature page, will be deemed to be one and the same instrument provided that counsel
6 for the Parties will exchange among themselves original signed counterparts.

7 92. Acknowledgement that the Settlement is Fair and Reasonable: The Parties believe
8 this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have
9 arrived at this Settlement after arm's-length negotiations and in the context of adversarial
10 litigation, taking into account all relevant factors, present and potential. The Parties further
11 acknowledge that they are each represented by competent counsel and that they have had an
12 opportunity to consult with their counsel regarding the fairness and reasonableness of this
13 Settlement.

14 93. Invalidity of Any Provision: Before declaring any provision of this Agreement
15 invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible
16 consistent with applicable precedents so as to define all provisions of this Agreement valid and
17 enforceable.

18 94. Waiver of Certain Appeals: The Parties agree to waive appeals and to stipulate to
19 class certification for purposes of this Settlement only; except, however, that either party may
20 appeal any court order that materially alters the Settlement Agreement's terms.

21 95. Class Action Certification for Settlement Purposes Only: The Parties agree to
22 stipulate to class action certification only for purposes of the Settlement. If, for any reason, the
23 Settlement is not approved, the stipulation to certification will be void. The Parties further agree
24 that certification for purposes of the Settlement is not an admission that class action certification
25 is proper under the standards applied to contested certification motions and that this Agreement
26 will not be admissible in this or any other proceeding as evidence that either: (a) a class action
27 should be certified or (b) Defendant is liable to Plaintiff or any Class Member, other than

1 according to the Settlement's terms.

2 96. Non-Admission of Liability: The Parties enter into this Agreement to resolve the
3 dispute that has arisen between them and to avoid the burden, expense and risk of continued
4 litigation. In entering into this Agreement, Defendant does not admit, and specifically denies, it
5 has violated any federal, state, or local law; violated any regulations or guidelines promulgated
6 pursuant to any statute or any other applicable laws, regulations or legal requirements; breached
7 any contract; violated or breached any duty; engaged in any misrepresentation or deception; or
8 engaged in any other unlawful conduct with respect to their employees. Neither this Agreement,
9 nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed
10 as an admission or concession by Defendant of any such violations or failures to comply with any
11 applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement, this
12 Agreement and its terms and provisions shall not be offered or received as evidence in any action
13 or proceeding to establish any liability or admission on the part of Defendant or to establish the
14 existence of any condition constituting a violation of, or a non-compliance with, federal, state,
15 local or other applicable law. The Parties intend this Settlement to be contingent upon the
16 preliminary and final approval of this Agreement; and the Parties do not waive, and instead
17 expressly reserve, their respective rights to prosecute and defend this Action as if this Agreement
18 never existed in the event the Settlement is not fully and finally approved as set forth herein.
19 However, as set forth in paragraph 81, should the Court fail to approve this settlement for any
20 reason, the Parties agree that they will return to and attend mediation with a mutually agreed
21 Mediator in an effort to reach a settlement that may be approved by the Court.

22 97. Captions: The captions and section numbers in this Agreement are inserted for the
23 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
24 provisions of this Agreement.

25 98. Waiver: No waiver of any condition or covenant contained in this Settlement
26 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered
27 to imply or constitute a further waiver by such party of the same or any other condition, covenant,
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1 right or remedy.

2 99. Enforcement Action: In the event that one or more of the Parties institutes any
3 legal action or other proceeding against any other Party or Parties to enforce the provisions of this
4 Settlement or to declare rights and/or obligations under this Settlement, the successful Party or
5 Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys'
6 fees and costs, including expert witness fees incurred in connection with any enforcement actions.

7 100. Mutual Preparation: The Parties have had a full opportunity to negotiate the terms
8 and conditions of this Agreement. Accordingly, this Agreement will not be construed more
9 strictly against one Party than another merely by virtue of the fact that it may have been prepared
10 by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations
11 between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

12 101. Representation By Counsel: The Parties acknowledge that they have been
13 represented by counsel throughout all negotiations that preceded the execution of this Agreement,
14 and that this Agreement has been executed with the consent and advice of counsel and reviewed
15 in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the
16 Agreement.

17 102. All Terms Subject to Final Court Approval: All amounts and procedures described
18 in this Settlement Agreement herein will be subject to final Court approval.

19 103. Cooperation and Execution of Necessary Documents: The Parties agree to
20 cooperate to promote participation in the Settlement, and in seeking court approval of the
21 Settlement.

22 104. Confidentiality: The Parties and their counsel agree to keep the terms of the
23 Settlement confidential until the filing of Plaintiff's Motion for Preliminary Approval. Plaintiff,
24 Class Counsel, Defendant and its counsel agree that they will not issue any press releases, initiate
25 any contact with the press, respond to any press inquiry or have any communication with the press
26 about the fact, amount or terms of the Settlement Agreement. Nothing in this Settlement
27 Agreement shall limit Defendant's ability to fulfill disclosure obligations reasonably required by

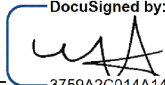
1 law or in furtherance of business purposes, including the fulfillment of obligations stated in this
2 Settlement Agreement or limit Class Counsel’s communications with the Class Members in
3 furtherance of approval of this Settlement.

4 105. Binding Agreement: The Parties warrant that they understand and have full
5 authority to enter into this Settlement, and further intend that this Settlement Agreement will be
6 fully enforceable and binding on all Parties, and agree that it will be admissible and subject to
7 disclosure in any proceeding to enforce its terms, notwithstanding any settlement confidentiality
8 provisions that otherwise might apply under federal or state law.

9 106. Authorization by Plaintiff: Plaintiff authorizes Class Counsel to sign this Agreement and
10 further agrees not to request to be excluded from the Class and not to object to any terms of this Agreement.
11 Any such request for exclusion or objection shall therefore be void and of no force or effect.

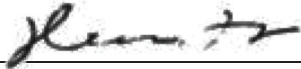
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13 Dated: 7/7/2022

PLAINTIFF

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15 By:  Victoria Hernandez
16
17

18 Dated: July 7, 2022

PROTECTION LAW GROUP, LLP

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20 By:  Heather Davis
21 Attorneys for Plaintiff
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23 Dated: July 8, 2022

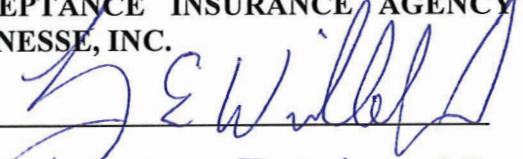
LAWYERS for JUSTICE, PC

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25 By:  Edwin Aiwasian
26 Attorneys for Plaintiff
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Dated: 7/7/2022

DEFENDANT
ACCEPTANCE INSURANCE AGENCY OF
TENNESSE, INC.


By: 

Name: HARRY E WILLIFORD

Title: PRESIDENT & CEO

Dated: 7/7/2022

LITTLER MENDELSON

By: 

D. Chad Anderton
Attorneys for Defendant