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14 **STATE OF CALIFORNIA**

15 **SUPERIOR COURT FOR THE COUNTY OF TULARE**

16 ALEJANDRO BERMUDEZ, an individual;
17 on behalf of himself and on behalf of all
18 persons similarly situated,

18 Plaintiff,

19 v.

20 SHANNON BROS. CO., a California
21 Corporation; SBC LOGISTICS, INC., a
22 California Corporation; and DOES 1-50,
23 inclusive,

23 Defendants.

Case No.: VCU301866

**FIRST AMENDMENT TO THE CLASS
ACTION AND PRIVATE ATTORNEYS
GENERAL ACT SETTLEMENT
AGREEMENT**

Complaint Filed: January 11, 2023
Trial Date: None Set

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ZAKAY LAW GROUP, APLC
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5440 Morehouse Drive, Suite 5400
San Diego, CA 92121
shani@zakaylaw.com

Attorneys for Plaintiff, ALEJANDRO BERMUDEZ

1 This First Amendment to the Class Action and PAGA Settlement Agreement is made by and
2 between Plaintiff Alejandro Bermudez, acting on behalf of himself, the [proposed] putative
3 settlement class, and the State of California via the California Private Attorneys General Act
4 (California Labor Code 2698 *et seq.*), and Defendants Shannon Bros. Co. and SBC Logistics, Inc.
5 The Agreement refers to Plaintiff Alejandro Bermudez, Defendant Shannon Bros. Co., and
6 Defendant SBC Logistics, Inc. collectively as “Parties,” or individually as “Party.”

7 **RECITALS**

- 8 1. Whereas, the Tulare County Superior Court has conditioned its granting of preliminary
9 approval of the Parties’ initial Class Action and PAGA Settlement Agreement on the extension
10 of the notice period provided to Class Members to 60-days;
- 11 2. Whereas, Section 1.45 of the Parties’ Class Action and PAGA Settlement Agreement defines
12 the “Response Deadline” as, in general, 45 days from the date the Administrator mails Notice
13 to Class Members and Aggrieved Employees;
- 14 3. Whereas, Section 11.9 of the Parties’ Class Action and PAGA Settlement Agreement provides
15 that it “may be amended, modified, changes, or waived only by an express written instrument
16 signed by all Parties”;
- 17 4. Whereas, the Parties seek to amend the Agreement to change all references to “45 days” in
18 Section 1.45 of the Class Action and PAGA Settlement Agreement to instead state “60 days,”
19 and to also update the reference to “45 days” in Section 7.3.4 of the Class Action and PAGA
20 Settlement Agreement to instead state “60 days.”

21 **AGREEMENT**

22 In accordance with Section 11.9 of the Parties’ Class Action and PAGA Settlement
23 Agreement, the Parties hereby agree, by virtue of their signature below, and in order to obtain
24 preliminary approval of the settlement reached therein before the Tulare County Superior Court, to
25 modify all references to “45 days” in Sections 1.45 and 7.3.4 of the Class Action and PAGA
26 Settlement Agreement to instead state “60 days”.

27 IT IS SO AGREED.

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Dated: January ⁶ ___, 2026

ALEJANDRO BERMUDEZ

By:  _____
Alejandro Bermudez (Jan 6, 2026 10:54:17 PST)

Dated: December ___, 2025

SBC LOGISTICS, INC.

By: _____

Dated: December ___, 2025

SHANNON BROS. CO.

By: _____

Approved as to Form

Dated: December ___, 2025

SAGASER, WATKINS & WIELAND PC

By: _____
Ian B. Wieland
Michael J. Conway, II
Attorneys for Defendants

Dated: January 5, 2026

SELIGSON LAW P.C.

By: *Ken Seligson* _____
Kenneth Seligson
Attorneys for Plaintiff

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Dated: December __, 2025

ALEJANDRO BERMUDEZ

By: _____

Dated: January 6, 2026

SBC LOGISTICS, INC.

By: Scott Critchley
Scott Critchley (Jan 6, 2026 12:51:06 PST)

Dated: December 31, 2025

SHANNON BROS. CO.

By: Trevor Shannon
Trevor Shannon (Dec 31, 2025 10:12:51 PST)

Approved as to Form

Dated: January 7, 2026

SAGASER, WATKINS & WIELAND PC

By: 

Ian B. Wieland
Michael J. Conway, II
Attorneys for Defendants

Dated: December __, 2025

SELIGSON LAW P.C.

By: _____
Kenneth Seligson
Attorneys for Plaintiff

1 Ian B. Wieland, State Bar No. 285721
2 Michael J. Conway, II, State Bar No. 322030
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7 Attorneys for Defendants, SHANNON BROS. CO and SBC
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19 **STATE OF CALIFORNIA**

20 **SUPERIOR COURT FOR THE COUNTY OF TULARE**

21 ALEJANDRO BERMUDEZ, an individual;
22 on behalf of himself and on behalf of all
23 persons similarly situated,

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25 v.

26 SHANNON BROS. CO., a California
27 Corporation; SBC LOGISTICS, INC., a
28 California Corporation; and DOES 1-50,
inclusive,

Defendants.

Case No.: VCU301866

**CLASS ACTION AND PRIVATE
ATTORNEYS GENERAL ACT
SETTLEMENT AGREEMENT**

Complaint Filed: January 11, 2023
Trial Date: None Set

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ZAKAY LAW GROUP, APLC
Shani O. Zakay, State Bar No. 277924
5440 Morehouse Drive, Suite 5400
San Diego, CA 92121
shani@zakaylaw.com

Attorneys for Plaintiff, ALEJANDRO BERMUDEZ

1 This Class Action and PAGA Settlement Agreement is made by and between Plaintiff
2 Alejandro Bermudez, acting on behalf of himself, the [proposed] putative settlement class, and the
3 State of California via the California Private Attorneys General Act (California Labor Code 2698 *et*
4 *seq.*), and Defendants Shannon Bros. Co. and SBC Logistics, Inc. The Agreement refers to Plaintiff
5 Alejandro Bermudez, Defendant Shannon Bros. Co., and Defendant SBC Logistics, Inc. collectively
6 as “Parties,” or individually as “Party.”

7 **1. DEFINITIONS**

8 **1.1.** “Action” means the matter of *Bermudez v. Shannon Bros. Co. et al.*, Tulare County Superior
9 Court, Case No. VCU301866.

10 **1.2.** “Administrator” means ILYM GROUP Inc., the neutral entity the Parties have agreed to
11 appoint to administer the Settlement.

12 **1.3.** “Administration Expenses Payment” means the amount payable to the Administrator from
13 the Gross Settlement Amount as payment for its administration services, consistent with the
14 Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval
15 of the Settlement.

16 **1.4.** “Aggrieved Employee” means all persons who, during the PAGA Period, (a) were directly
17 employed by either Defendant Shannon Bros. Co. or SBC Logistics, Inc. in California, and (b) who
18 worked for either Defendant Shannon Bros. Co. or SBC Logistics, Inc. as a non-exempt employee.

19 **1.5.** “Agreement” means this Class Action and Private Attorneys General Act Settlement
20 Agreement, including Exhibit A hereto.

21 **1.6.** “Class” means all persons who, during the Class Period, (a) were directly employed by either
22 Defendant Shannon Bros. Co. or SBC Logistics, Inc. in California, and (b) who worked for either
23 Defendant Shannon Bros. Co. or SBC Logistics, Inc. as a non-exempt employee.

24 **1.7.** “Class Counsel” means Kenneth Seligson of Seligson Law; Jean-Claude Lapuyade of JCL
25 Law Firm, APC; and, Shani O. Zakay of Zakay Law Group, APLC.

26 **1.8.** “Class Counsel Fees Payment” means the amount payable to Class Counsel from the Gross
27 Settlement Amount as payment for reasonable attorneys’ fees.

28 **1.9.** “Class Counsel Litigation Expenses Payment” means the amount payable to Class Counsel

1 from the Gross Settlement Amount as payment for litigation costs.

2 **1.10.** “Class Data” means each Class Member’s name, last-known mailing address, Social
3 Security number, and number of Class Pay Periods and PAGA Pay Periods.

4 **1.11.** “Class Member” means a member of the Class, as either a Participating Class
5 Member or Non-Participating Class Member (including a Non-Participating Class Member who
6 qualifies as an Aggrieved Employee).

7 **1.12.** “Class Member Address Search” means the Administrator’s investigation and search
8 for current Class Member mailing addresses using all reasonably available sources, methods and
9 means including, but not limited to, the National Change of Address database, skip traces, and direct
10 contact by the Administrator with Class Members.

11 **1.13.** “Class Notice” means the Court-approved notice concerning the settlement of the
12 Action and correspondence procedures, attached hereto as Exhibit A, which the Administrator will
13 mail to Class Members without material variation.

14 **1.14.** “Class Period” means the period from January 22, 2022, through the earlier of (1)
15 August 2, 2025, or (2) the date of preliminary approval of this Agreement, unless adjusted at
16 Defendants’ election pursuant to Section 8 of this Agreement.

17 **1.15.** “Class Representative” means Plaintiff Alejandro Bermudez.

18 **1.16.** “Class Representative Service Payment” means the amount payable to the Class
19 Representative out of the Gross Settlement Amount for initiating the Action, providing services to
20 Class Counsel in support of the Action, and as consideration for the Class Representative’s general
21 release of claims in favor of Released Parties.

22 **1.17.** “Class Workweek” means any week during the Class Period in which a Class
23 Member (a) was directly employed by either Defendant Shannon Bros. Co. or Defendant SBC
24 Logistics, Inc. in California, (b) worked as a non-exempt employee for either Defendant Shannon
25 Bros. Co. or Defendant SBC Logistics, Inc., and (c) earned wages for hours worked during the week.

26 **1.18.** “Court” means the Superior Court of California, County of Tulare.

27 **1.19.** “Defendants” means Defendants Shannon Bros. Co. and SBC Logistics, Inc.

28 **1.20.** “Defense Counsel” means Ian B. Wieland and Michael J. Conway II of Sagaser

1 Watkins & Wieland PC.

2 **1.21.** “Effective Date” means the first date on which all of the following have occurred:

3 (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; (b) the
4 Judgment is final; and, (c) a Party, or the Court, has issued notice of entry of the Judgment. The
5 Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Members
6 object to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class
7 Members object to the Settlement, the day after the deadline for filing a notice of appeal from the
8 Judgment; or, (c) if a timely appeal from the Judgment is filed, the day after the appellate court
9 affirms the Judgment and issues a remittitur.

10 **1.22.** “Final Approval Order” means the Court’s order granting final approval of the
11 Settlement.

12 **1.23.** “Final Approval Hearing” means the Court’s hearing on the Motion for Final
13 Approval of the Settlement.

14 **1.24.** “Gross Settlement Amount” means \$275,000.00, which is the total amount
15 Defendants agree to pay under the Settlement, subject to (voluntary) increase at Defendants’ election
16 as provided in Section 8 of this Agreement. The Administrator shall use the Gross Settlement
17 Amount to fund all aspects of the settlement, including Individual Class Payments, Individual
18 PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel
19 Litigation Expenses Payment, Class Representative Service Payment, and the Administration
20 Expenses Payment. The “Gross Settlement Amount” shall exclude employer-side payroll taxes
21 owed by Defendants on the wage-portion of Individual Class Payments.

22 **1.25.** “Individual Class Payment” means an individual Participating Class Member’s pro
23 rata share of the Net Settlement Amount, calculated as provided in Section 3.2.4 of this Agreement.

24 **1.26.** “Individual PAGA Payment” means an individual Aggrieved Employee’s pro rata
25 share of 25% of the PAGA Penalties payable pursuant to Labor Code §2699, subd. (i) (in effect
26 from June 27, 2016, to June 30, 2024), calculated as provided in Section 3.2.5 of this Agreement.

27 **1.27.** “Judgment” means the judgment entered by the Court based upon the Final
28 Approval.

1 **1.28.** “LWDA” means the California Labor and Workforce Development Agency, the
2 agency entitled to receive the LWDA PAGA Payment pursuant to Labor Code §2699, subd. (i) (in
3 effect from June 27, 2016, to June 30, 2024).

4 **1.29.** “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA
5 pursuant to Labor Code §2699, subd. (i) (in effect from June 27, 2016, to June 30, 2024).

6 **1.30.** “Net Settlement Amount” means the Gross Settlement Amount, less the following
7 payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA
8 Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel
9 Litigation Expenses Payment, and the Administration Expenses Payment.

10 **1.31.** “Non-Participating Class Member” means a Class Member who submits a valid
11 Request for Exclusion.

12 **1.32.** “Operative Complaint” means Plaintiff’s First Amended Complaint, inclusive of
13 class allegations previously ordered dismissed by the Court in its January 25, 2024, order granting
14 Defendants’ motion to compel arbitration and stay proceedings.

15 **1.33.** “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

16 **1.34.** “PAGA Notice” means all notices issued by Plaintiff to the LWDA pursuant to Labor
17 Code §2699.3, subd. (a) (in effect from July 1, 2021, to June 30, 2024), including but not limited to
18 Plaintiff’s October 21, 2022, notice; and, March 27, 2023, notice.

19 **1.35.** “PAGA Penalties” means the total amount (\$20,000.00) of PAGA civil penalties to
20 be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$5,000.00)
21 and the 75% to LWDA (\$15,000.00) in settlement of PAGA claims.

22 **1.36.** “PAGA Pay Period” means any pay period (i.e., an ordinary, biweekly paycheck
23 cycle) during the PAGA Period in which a Class Member (a) was directly employed by either
24 Defendant Shannon Bros. Co. or Defendant SBC Logistics, Inc. in California, (b) worked as a non-
25 exempt employee for either Defendant Shannon Bros. Co. or Defendant SBC Logistics, Inc., and
26 (c) earned wages for hours worked during the pay period.

27 **1.37.** “PAGA Period” means the period from January 22, 2022, to the date of Preliminary
28 Approval.

1 **1.38.** “Participating Class Member” means a Class Member who does not submit a valid
2 and timely Request for Exclusion from the Settlement.

3 **1.39.** “Plaintiff” means Alejandro Bermudez, the named plaintiff in the Action.

4 **1.40.** “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of
5 the Settlement.

6 **1.41.** “Released Class Claims” means the Released Claims being released as described in
7 Section 5.3.1 through 5.3.1.3 below.

8 **1.42.** “Released PAGA Claims” means the Released Claims being released as described in
9 Section 5.3.2 through 5.3.2.3 below.

10 **1.43.** “Released Parties” means Defendants together with their present and former parents,
11 subsidiaries, affiliated entities, commonly owned or controlled entities, present and former owners,
12 board members, officers, directors, trustees, employees, agents, insurers, attorneys, successors and
13 assigns, and/or any individual or entity to whom liability for claims released by Plaintiff, or the
14 Released Class Claims and Released PAGA Claims, could be assigned, including but not limited to
15 liability established pursuant to Labor Code §558.1, or on a joint-employer, alter-ego, or other
16 similar theory of liability.

17 **1.44.** “Request for Exclusion” means a Class Member’s submission of a valid, signed
18 written request to be excluded from the Class Settlement.

19 **1.45.** “Response Deadline” means 45 days after the Administrator mails Notice to Class
20 Members and Aggrieved Employees, plus an additional 14 days for any Class Members whose Class
21 Notice is resent by the Administrator after being returned as undeliverable, and shall be the last date
22 on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement;
23 (b) fax, email, or mail his or her challenges as to assigned Class Workweeks or PAGA Pay Periods,
24 and/or (c) fax, email, or mail his or her objection to the Settlement.

25 **1.46.** “Settlement” means the disposition of the Action effected by this Agreement and the
26 Judgment.

27 **2. RECITALS**

28 **2.1** On October 23, 2022, Plaintiff commenced this Action by filing a class action

1 complaint alleging various causes of action arising under the California Labor Code and related
2 laws. Plaintiff subsequently filed a **first amended complaint** asserting a cause of action under
3 PAGA on March 27, 2023, after having given the requisite notice to Defendants under PAGA.
4 In or around September 2023, Plaintiff transferred the Action from Alameda County to Tulare
5 County. Defendants answered Plaintiff's first amended complaint on October 25, 2023.
6 Subsequently, the Defendants successfully enforced an arbitration agreement signed by Plaintiff,
7 resulting in an order from the Court compelling Plaintiff's individual claims to arbitration,
8 staying Plaintiff's PAGA claims, and dismissing the class action claims.

9 **2.2** On March 3, 2025, the Parties participated in an all-day mediation presided over by
10 neutral Hon. Carl West (Ret.), a former longtime judge in the Los Angeles County Superior
11 Court with significant experience in both overseeing and mediating wage and hour class action
12 and PAGA claims.

13 **2.3** Prior to mediation, Plaintiff obtained, through informal discovery and for the entirety
14 of the Class Period and PAGA Period, the number of putative Class Members, the number of
15 Aggrieved Employees, the number of workweeks, the number of pay periods, sample time
16 records, sample payroll records, written policies, and related information. Plaintiff's
17 investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot*
18 *Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.*
19 (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

20 **2.4** The Court has not granted class certification.

21 **3. MONETARY TERMS**

22 **3.1.** Gross Settlement Amount. Except as otherwise provided by Section 8 below,
23 Defendants promise to pay \$275,000.00 and no more as the Gross Settlement Amount and to
24 separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class
25 Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes)
26 prior to the deadline stated in Section 4.2 of this Agreement. None of the Gross Settlement Amount
27 will revert to Defendants.

28 **3.2.** Payments from the Gross Settlement Amount. The Administrator will make and

1 deduct the following payments from the Gross Settlement Amount, in the amounts specified by the
2 Court in the Final Approval Order:

3 3.2.1. To Plaintiff: Class Representative Service Payment to the Class
4 Representative of not more than \$10,000.00 (in addition to any Individual Class Payment and
5 any Individual PAGA Payment the Class Representative is entitled to receive as a Participating
6 Class Member and Aggrieved Employee). Defendants shall not oppose Plaintiff's request for a
7 Class Representative Service Payment that does not exceed \$10,000.00. As part of its motions
8 for preliminary and/or final approval of the Settlement, Plaintiff will seek the Court's approval
9 of the Class Representative Service Payment. If the Court approves a Class Representative
10 Service Payment less than \$10,000.00, the Administrator will retain the difference in the Net
11 Settlement Amount and distribute it pursuant to the procedures set forth herein. The
12 Administrator shall pay the Class Representative Service Payment using IRS Form 1099.
13 Plaintiff assumes full responsibility and liability for taxes owed on the Class Representative
14 Service Payment and agrees to hold Defendants harmless, and indemnify Defendants, from any
15 dispute or controversy regarding any division, sharing, or taxation of this payment, including
16 for any costs/fees incurred by Defendants relating to the dispute or controversy.

17 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third,
18 which is currently estimated to be \$90,750.00 and a Class Counsel Litigation Expenses Payment
19 of not more than \$15,000.00. Defendants will not oppose requests for these payments provided
20 that they do not exceed these amounts and the Class Counsel Litigation Expenses Payment
21 claimed are recoverable under statute. As part of its motions for preliminary and/or final
22 approval of the Settlement, Plaintiff will seek the Court's approval of the Class Counsel Fees
23 Payment and Class Counsel Litigation Expenses Payment. If the Court approves a Class Counsel
24 Fees Payment and/or Class Counsel Litigation Expenses Payment of less than these amounts,
25 the Administrator will retain the difference in the Net Settlement Amount and distribute it
26 pursuant to the procedures set forth herein. The Administrator shall pay the Class Counsel Fees
27 Payment and the Class Counsel Litigation Expenses Payment using IRS Form 1099. Class
28 Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees

1 Payment and Class Counsel Litigation Expenses Payment and agrees to hold Defendants
2 harmless, and indemnify Defendants, from any dispute or controversy regarding any division,
3 sharing, or taxation of this payment, including for any costs/fees incurred by Defendants relating
4 to the dispute or controversy.

5 3.2.3. To the Administrator: An Administration Expenses Payment not to exceed
6 \$7,950.00 except for a showing of good cause and as approved by the Court. Defendants shall
7 not oppose Plaintiff's request for an Administration Expenses Payment that does not exceed
8 \$7,950.00. As part of its motions for preliminary and/or final approval of the Settlement,
9 Plaintiff will seek the Court's approval of the Administration Expenses Payment. If the Court
10 approves an Administration Expenses Payment of less than \$7,950.00, the Administrator will
11 retain the difference in the Net Settlement Amount and distribute it pursuant to the procedures
12 set forth herein. The Administrator shall pay the Administration Expenses Payment using IRS
13 Form 1099. The Administrator full responsibility and liability for taxes owed on the Class
14 Administration Expenses Payment and agrees to hold Defendants harmless, and indemnify
15 Defendants, from any dispute or controversy regarding any division, sharing, or taxation of this
16 payment, including for any costs/fees incurred by Defendants relating to the dispute or
17 controversy.

18 3.2.4. To Each Participating Class Member: An Individual Class Payment
19 calculated by (a) dividing the Net Settlement Amount by the total number of Class Pay Periods
20 worked by all Participating Class Members during the Class Period and (b) multiplying the result
21 by each Participating Class Member's Class Pay Periods.

22 3.2.4.1. Tax Allocation of Individual Class Payments. The Administrator shall
23 allocate five percent of each Participating Class Member's Individual Class Payment as
24 wages for tax purposes (hereinafter the "Wage Portion"). The Administrator shall withhold
25 employee-side payroll taxes on the Wage Portion of Individual Class Payments and shall
26 report the Wage Portion of Individual Class Payments using IRS Form W-2. The
27 Administrator shall allocate the remainder of each Participating Class Member's Individual
28 Class Payment as non-wages for tax purposes (the "Non-Wage Portion"). The Administrator

1 shall not withhold any sum, unless required by applicable law, from the Non-Wage Portion
2 of Individual Class Payments and shall report the Non-Wage Portion of Individual Class
3 Payments using IRS Form 1099. Class Members shall assume full responsibility and liability
4 for taxes owed on the Non-Wage Portion of Individual Class Payments.

5 3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual
6 Class Payments. A Non-Participating Class Member shall not receive an Individual Class
7 Payment. The Administrator shall retain the sum of all Individual Class Payments allocable
8 to Non-Participating Class Members in the Net Settlement Amount for distribution to
9 Participating Class Members pursuant to the procedures set forth herein.

10 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of
11 \$20,000.00, with 75% (\$15,000.00) payable to the LWDA as the LWDA PAGA Payment and
12 25% (\$5,000.00) payable to Aggrieved Employees as Individual PAGA Payments. Individual
13 PAGA Payments shall be calculated by (a) dividing the Aggrieved Employees' share of PAGA
14 penalties (\$5,000.00) by the total number of PAGA Pay Periods worked by all Aggrieved
15 Employees during the PAGA Period and (b) multiplying the result by each Aggrieved
16 Employee's PAGA Pay Periods. The Administrator shall not withhold any sum, unless required
17 by applicable law, from the LWDA PAGA Payment or the Individual PAGA Payments and shall
18 report the payments using IRS Form 1099. The LWDA shall assume full responsibility and
19 liability for taxes owed on the LWDA PAGA Payment and Aggrieved Employees shall assume
20 full responsibility and liability for taxes owed on the Individual PAGA Payments. If the Court
21 approves PAGA Penalties of less than \$20,000.00, the Administrator shall retain the difference
22 in the Net Settlement Amount and distribute it pursuant to the procedures set forth herein.

23 **4. SETTLEMENT PROCESSING**

24 **4.1. Class Data**. Not later than 30 days after Preliminary Approval of the Settlement by the Court,
25 Defendants shall deliver the Class Data to the Administrator, in the form of a Microsoft Excel
26 spreadsheet. The Administrator shall maintain the Class Data in confidence, use the Class Data only
27 for purposes of this Settlement, and restrict access to the Class Data to Administrator employees
28 who need access to the Class Data to effect and perform the Administrator's duties under this

1 Agreement. Defendants have a continuing duty to provide corrected or updated Class Data as soon
2 as reasonably feasible upon learning of errors in the Class Data. The Parties and their counsel shall
3 expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related
4 to missing or omitted Class Data, or discrepancies related thereto.

5 **4.2. Funding of Gross Settlement Amount.** Defendants shall fund the Gross Settlement Amount
6 and the corresponding amounts necessary to pay the payroll taxes on the Wage Portion of the
7 Individual Class Payments within 45 calendar days of the Effective Date.

8 **4.3. Payments from the Gross Settlement Amount.** Within 21 days after Defendants fund the
9 Gross Settlement Amount, the Administrator shall issue all payments described in Section 3.2 of
10 this Agreement. The payments shall not trigger any further financial obligations of Defendants, such
11 as triggering 401(k) contribution obligations, supplemental bonus or regular rate of pay obligations,
12 or the like. All payments shall be issued via First Class U.S. Mail, postage prepaid. The face of each
13 check shall prominently state the date on which the check will void, which shall be not less than 180
14 days and not more than 200 days from the date on which the check is mailed. The Administrator
15 shall send Individual Class Payments to all Participating Class Members (including those whose
16 Class Notice was returned as undeliverable) and shall send Individual PAGA Payments to all
17 Aggrieved Employees (including those whose Class Notice was returned as undeliverable). The
18 Administrator may send Participating Class Members who are also Aggrieved Employees a single
19 check, combining their Individual Class Payment and Individual PAGA Payment. The
20 Administrator shall conduct a Class Member Address Search as to any Class Member whose
21 payment is returned as undelivered without a USPS forwarding address and mail the check to any
22 updated address obtained within seven days of the check being returned. If the check is returned
23 again, the Administrator need take no further steps to ascertain the Class Member's address. The
24 Administrator shall promptly issue replacement checks to any Class Member upon request, but the
25 replacement check shall void on the same date as the original check. The Administrator shall cancel
26 all checks not cashed by the void date. The Administrator shall issue payment of all uncashed funds
27 to Valley Children's Healthcare Foundation.

28 **5. RELEASES OF CLAIMS**

1 **5.1. Effective Date of Release.** The releases described in this Agreement shall take effect upon
2 the Effective Date. Therefore, Defendants and Released Parties shall have the right to enforce the
3 releases contained in this Agreement against Plaintiff, Participating Class Members, Aggrieved
4 Employees, and the State of California (or any of its agencies) as of the Effective Date, prior to
5 funding the Gross Settlement Amount and prior to distribution of Individual Settlement Payments,
6 Individual PAGA Payments, and the LWDA PAGA Payment. The Court may invalidate the releases
7 described herein upon proof of Defendants' failure to fund the Gross Settlement Amount by the
8 deadline set forth in Section 4.2 of this Agreement. The statute of limitations on any Released
9 Claims shall be tolled between the Effective Date and Defendants' deadline to fund the Gross
10 Settlement Amount set forth in Section 4.2 of this Agreement.

11 **5.2. Plaintiff's Release.**

12 5.2.1. **General Release:** Plaintiff agrees to release and discharge Released Parties
13 from all known and unknown claims of whatever type that Plaintiff has or may have against
14 Released Parties through the date of Plaintiff's execution of this Agreement, except for claims
15 to enforce this Agreement or claims that Plaintiff cannot release via a general release as a matter
16 of law, including claims for unemployment and workers' compensation benefits.

17 5.2.2. **Plaintiff's Waiver of Rights Under California Civil Code Section 1542.**
18 Plaintiff acknowledges that he may discover facts or law different from, or in addition to, the
19 facts or law that he now knows or believes to be true, which could materially affect his decision
20 to agree to the releases set forth in this Agreement. Nonetheless, Plaintiff voluntarily assumes
21 this risk and agrees that his general release of claims against Released Parties shall remain in
22 effect notwithstanding such differences or additional discoveries. To this end, Plaintiff expressly
23 waives and relinquishes his rights under California Civil Code §1542 with respect to his general
24 release of claims, which provides:

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

28 **5.3. Release by Participating Class Members and Aggrieved Employees:**

1 5.3.1. Release of Class Claims: As of the Effective Date, all Participating Class
2 Members shall release the Released Parties of all claims that are not assertable under PAGA and
3 that Plaintiff alleged, or could have alleged, by reason of or in connection with any matter or
4 fact set forth in the Operative Complaint, and which arose or existed during the Class Period
5 (“Released Class Claims”). Without limiting the foregoing, Released Class Claims shall include:

6 5.3.1.1. All claims relating to unpaid wages (including claims for failure to pay
7 minimum wages, straight time wages, overtime and double-time compensation); all claims
8 related to the timeliness of wage payments (whether regular or final wages); all claims
9 related to the calculation of the regular rate of pay, including claims for unpaid overtime
10 wages, paid sick leave, or other pay as a result of the improper calculation of the regular rate
11 of pay; all claims relating to the failure to provide compliant meal, rest, and recovery periods;
12 all claims relating to the failure to pay premiums for violations of meal, rest, and recovery
13 period laws (including the failure to make premium payments at all, or failure to make
14 premium payments at the correct rate of pay); all claims relating to the provision of wage
15 statements, including the accuracy or substance thereof; all claims relating to the failure to
16 maintain accurate employment records; all claims relating to the failure to reimburse of
17 necessary business expenses; all claims relating to the deduction of wages; and all claims
18 relating to unfair business practices resulting from any of the foregoing.

19 5.3.1.2. All claims arising under California Labor Code §§201, 202, 203, 204, 208,
20 210, 218.5, 218.6, 221, 225.5, 226, 226.3, 226.7, 246, 248, 248.2, 248.5, 248.6, 510, 512,
21 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2699, 2802; 8 C.C.R. §11090,
22 Sections 3, 4, 7, 9, 11, 12, 18, or otherwise applicable, similar provisions of other IWC Wage
23 Orders; 8 C.C.R. §3395; California Business and Professions Code §§17200-17208;
24 California Civil Code §§3287 and 3289; California Code of Civil Procedure §1021.5; and
25 related claims under the applicable provisions of the Fair Labor Standards Act (29 U.S.C.
26 §§201, et seq.).

27 5.3.1.3. All remedies associated with any of the claims described herein, including
28 but not limited to compensatory, consequential, incidental, liquidated, and punitive damages;

1 penalties; restitution; interest; costs; attorneys’ fees; and, injunctive or other equitable relief.

2 5.3.2. Release of PAGA Claims: As of the Effective Date, all Aggrieved Employees
3 and the State of California (and all of its agencies, including but not limited to the Labor
4 Commissioner and/or the LWDA) shall release the Released Parties of all claims that are
5 assertable under PAGA and that Plaintiff alleged, or could have alleged, by reason of or in
6 connection with any matter or fact set forth in the Operative Complaint, and which arose or
7 existed during the PAGA Period (“Released PAGA Claims”). Without limiting the foregoing,
8 Released PAGA Claims shall include:

9 5.3.2.1. All claims for civil penalties recoverable under PAGA relating to: unpaid
10 wages (including claims for failure to pay minimum wages, straight time wages, overtime
11 and double-time compensation); the timeliness of wage payments (whether regular or final
12 wages); the calculation of the regular rate of pay, including claims for unpaid overtime
13 wages, paid sick leave, or other pay as a result of the improper calculation of the regular rate
14 of pay; the failure to provide compliant meal, rest, and recovery periods; all claims relating
15 to the failure to pay premiums for violations of meal, rest, and recovery period laws
16 (including the failure to make premium payments at all, or failure to make premium
17 payments at the correct rate of pay); the provision of wage statements, including the accuracy
18 or substance thereof; the failure to maintain accurate employment records; the failure to
19 reimburse necessary business expenses; and, the deduction of wages.

20 5.3.2.2. Without limiting the foregoing, Released PAGA Claims shall include claims
21 for civil penalties for violations of California Labor Code §§201, 202, 203, 204, 208, 210,
22 218.5, 218.6, 221, 226, 226.7, 246, 248, 248.2, 248.5, 248.6, 510, 512, 558, 1174, 1174.5,
23 1194, 1194.2, 1197, 1197.1, 1198, and 2802; 8 C.C.R. §11090, Sections 3, 4, 7, 9, 11, 12,
24 18, or otherwise applicable, similar provisions of other IWC Wage Orders; 8 C.C.R. §3395.
25 This release shall apply to civil penalties provided for in, but not limited to, California Labor
26 Code §§203, 210, 225.5, 226, 226.3, 248.5, 558, 1174.5, 1197.1, 8 C.C.R. §11090, Sec. 20,
27 and other default civil penalties for the Released PAGA Claims available under California
28 Labor Code §2699.

1 5.3.2.3. All remedies associated with any of the claims described herein, including
2 but not limited to civil penalties; costs; attorneys' fees; and, injunctive or other equitable
3 relief.

4 **5.4. Construction**. The Parties intend that this release be construed as broadly as possible. The
5 release excludes the release of claims not permitted by law.

6 **5.5. Resolution of Good Faith Dispute**. The Parties warrant and represent that the releases for
7 Participating Class Members and Aggrieved Employees resolve, pursuant to Labor Code §§206 and
8 206.5, and applicable case law (including but not limited to *Chindarah v. Pick Up Stix, Inc.* (2009)
9 171 Cal.App.4th 796) a good faith dispute regarding any and all wages, if any, owed by Defendants
10 to Participating Class Members / Aggrieved Employees through their last day of employment with
11 Defendants within the Class Period and PAGA Period. All sums payable by Defendants under this
12 agreement are in addition to any undisputed wages owed to Class Members and Aggrieved
13 Employees.

14 **6. MOTION FOR PRELIMINARY APPROVAL.**

15 **6.1. Plaintiff's Responsibilities**. Plaintiff will prepare and deliver to Defense Counsel all
16 documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and
17 memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the
18 Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code
19 §2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of
20 PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from Plaintiff
21 confirming his willingness and competency to serve and disclosing all facts relevant to any actual
22 or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed
23 declaration from Class Counsel attesting to their competency to represent the Class Members; and
24 (vii) proof of Plaintiff's timely transmission to the LWDA of all necessary PAGA documents,
25 including but not limited to the PAGA Notice(s), the Operative Complaint, and this Agreement.

26 **6.2. Responsibilities of Counsel**. Class Counsel is responsible for expeditiously finalizing and
27 filing the Motion for Preliminary Approval; obtaining a prompt hearing date for the Motion for
28 Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary

1 Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the
2 Administrator.

3 **6.3. Duty to Cooperate.** Defendant shall not oppose Plaintiff's Motion for Preliminary Approval
4 to the extent it is consistent with this Agreement. If the Parties disagree on any aspect of the proposed
5 Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel
6 and Defense Counsel will expeditiously work together on behalf of the Parties by meeting by
7 telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary
8 Approval or conditions Preliminary Approval on any material change to this Agreement, Class
9 Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting
10 in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the
11 Court's concerns. However, no Party shall be obligated to consent to any material change (including
12 but not limited to changes to the Gross Settlement Amount or the releases set forth herein) in the
13 Agreement, whether or not such material change is caused or requested by the Court. The Parties
14 shall have the continuing obligation to seek both preliminary approval of the settlement consistent
15 with the terms set forth herein, until the Effective Date occurs. Such obligation shall only cease upon
16 the written consent of all Parties.

17 **7. SETTLEMENT ADMINISTRATION**

18 **7.1. Selection of Administrator.** The Parties have jointly selected ILYM GROUP Inc. to serve as
19 the Administrator and verified that, as a condition of appointment, ILYM GROUP Inc. agrees to be
20 bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in
21 exchange for the Administration Expenses Payment. The Parties, Class Counsel, and Defense
22 Counsel represent that they have no interest or relationship, financial or otherwise, with the
23 Administrator other than a professional relationship arising out of prior experiences administering
24 settlements.

25 **7.2. Qualified Settlement Fund.** The Administrator shall establish a settlement fund that meets
26 the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section
27 468B-1.

28 **7.3. Notice to Class Members.**

1 7.3.1. No later than five business days after receipt of the Class Data, the
2 Administrator shall notify Class Counsel that the list has been received and state the number of
3 Class Members, Aggrieved Employees, Class Pay Periods, and PAGA Pay Periods in the Class
4 Data.

5 7.3.2. Using best efforts to perform as soon as possible, and in no event later than
6 30 days after receiving the Class Data, the Administrator will send to all Class Members
7 identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class
8 Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the
9 Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment
10 and/or Individual PAGA Payment payable to the Class Member and/or Aggrieved Employee,
11 and the number of Class Workweeks and PAGA Pay Periods (if applicable) used to calculate
12 these amounts.

13 7.3.3. Not later than five business days after the Administrator’s receipt of any Class
14 Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice
15 using any forwarding address provided by the USPS. If the USPS does not provide a forwarding
16 address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class
17 Notice to the most current address obtained. The Administrator has no obligation to make further
18 attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the
19 USPS a second time.

20 7.3.4. The deadlines for Class Members’ written objections, Challenges to Class
21 Workweeks and/or PAGA Pay Periods (disputes), and Requests for Exclusion will be extended
22 an additional 14 days beyond the 45 days otherwise provided in the Class Notice for all Class
23 Members whose notice is re-mailed. The Administrator will inform the Class Member of the
24 extended deadline with the re-mailed Class Notice.

25 7.3.5. If the Administrator, Defendants, Defense Counsel, or Class Counsel is
26 contacted by or otherwise discovers any persons who believe they should have been included in
27 the Class Data and should have received Class Notice, the Parties will expeditiously meet and
28 confer in person, by telephone, or via email, and in good faith in an effort to agree on whether

1 to include them as Class Members. If the Parties agree, such persons will be Class Members
2 entitled to the same rights as other Class Members, and the Administrator will send a Class
3 Notice requiring them to exercise options under this Agreement within the timeframes
4 applicable to Class Members whose Class Notice is re-mailed by the Administrator.

5 **7.4. Requests for Exclusion (Opt-Outs).**

6 7.4.1. Class Members who wish to exclude themselves (opt-out of) the Class
7 Settlement must send the Administrator, by fax, email, or mail, a signed written Request for
8 Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an
9 additional 14 days for Class Members whose Class Notice is re-mailed). A Request for
10 Exclusion is a signed writing to the Administrator from a Class Member or his/her representative
11 that reasonably communicates the Class Member's election to be excluded from the Settlement
12 and includes the Class Member's name, address, and last four digits of his/her social security
13 number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by
14 the Response Deadline. If the Administrator has reason to question the authenticity of a Request
15 for Exclusion, the Administrator may demand additional proof of the Class Member's identity.
16 The Administrator shall have authority to determine the validity of any Requests for Exclusion,
17 and the decision shall be final, not subject to challenge by a Class Member.

18 7.4.2. Every Class Member who does not submit a timely and valid Request for
19 Exclusion shall be deemed to be a Participating Class Member under this Agreement, entitled
20 to all benefits and bound by all terms and conditions of the Settlement, including the
21 Participating Class Members' Releases under 5.3.1 through 5.3.1.3 of this Agreement,
22 regardless of whether the Participating Class Member actually receives the Class Notice, an
23 Individual Settlement Payment, objects to the settlement, or disputes the pay periods set forth in
24 the Class Notice.

25 7.4.3. Every Class Member who submits a valid and timely Request for Exclusion
26 is a Non-Participating Class Member and shall not receive an Individual Class Payment or have
27 the right to object to the class action components of the Settlement.

28 7.4.4. All Aggrieved Employees are entitled to all benefits and bound by all terms

1 and conditions of the Settlement as they pertain to PAGA claims, including the Aggrieved
2 Employees' Releases under Section 5.3.2 through 5.3.2.3 of this Agreement, regardless of
3 whether the Aggrieved Employee actually receives the Class Notice, an Individual PAGA
4 Payment, objects to the settlement, or disputes the pay periods set forth in the Class Notice.

5 7.4.5. The Administrator will promptly review Requests for Exclusion to ascertain
6 their validity. Not later than five days after Response Deadline, the Administrator shall email a
7 list to Defense Counsel containing the names and other identifying information of Class
8 Members who have timely submitted valid Requests for Exclusion and copies of all supporting
9 documentation provided to the Administrator. Upon request, the Administrator may provide
10 summary information regarding the information described in this section to Class Counsel, but
11 shall not provide any personal identifying information (e.g., names and contact information) to
12 Class Counsel.

13 7.5. Challenges to Calculation of Workweeks and Pay Periods.

14 7.5.1. Class Members who wish to challenge the Class Workweeks or PAGA Pay
15 Periods assigned to them in the Class Notice must send the Administrator, by fax, email, or mail,
16 a signed written statement indicating an intent to challenge the Class Workweeks or PAGA Pay
17 Periods assigned to them not later than 45 days after the Administrator mails the Class Notice
18 (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A challenge is
19 a written request to the Administrator from a Class Member or his/her representative that
20 reasonably communicates the Class Member's intent to and basis for disputing his/her assigned
21 Class Workweeks or PAGA Periods and includes the Class Member's name, address, and last
22 four digits of his/her social security number. The Administrator shall attempt to solicit any
23 supporting documentation deemed necessary to resolve the challenge. To be valid, a challenge
24 must be timely faxed, emailed, or postmarked by the Response Deadline. If the Administrator
25 has reason to question the authenticity of a challenge, the Administrator may demand additional
26 proof of the Class Member's identity. The Administrator shall have authority to determine the
27 validity of any challenges, and the decision shall be final, not subject to challenge by a Class
28 Member. In the absence of any contrary documentation, the Administrator is entitled to presume

1 that the Class Pay Periods and PAGA Pay Periods contained in the Class Data are correct.

2 7.5.2. The Administrator will promptly review any challenges received to ascertain
3 their validity and, if necessary, update the Class Data to account for any successful challenges.
4 Not later than five days after the Response Deadline, the Administrator shall email Defense
5 Counsel and Class Counsel an updated aggregate Class Workweek and PAGA Pay Period count
6 after updating the Class Data to account for valid and successful challenges.

7 **7.6. Objections to Settlement.**

8 7.6.1. Only Participating Class Members may object to the class action components
9 of the Settlement, including contesting the fairness of the Settlement, and/or amounts requested
10 for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or the
11 Class Representative Service Payment. Non-Participating Class Members shall have no right to
12 object to any of the class action components of the Settlement. Aggrieved Employees shall have
13 no right to object to any of the PAGA components of the Settlement.

14 7.6.2. Each Participating Class Member shall have 45 days after the Administrator
15 mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-
16 mailed) to object to the class action components of the Settlement. An objection is a signed
17 writing delivered to the Administrator from a Class Member and/or his/her representative stating
18 a factual and/or legal basis for contesting the legality of a provision of the Settlement and
19 includes the Class Member's name, address, and last four digits of his/her social security
20 number. To be valid, an objection must be timely faxed, emailed, or postmarked by the Response
21 Deadline. If the Administrator has reason to question the authenticity of an objection, the
22 Administrator may demand additional proof of the Class Member's identity. Any Participating
23 Class Member who timely objects shall have the right to appear in Court (or hire an attorney to
24 appear in Court) to present the objections at the Final Approval Hearing.

25 7.6.3. The Administrator will promptly review objections to ascertain their validity.
26 Not later than five days after Response Deadline, the Administrator shall email a list to Defense
27 Counsel and Class Counsel containing the names and other identifying information of Class
28 Members who have timely objected and provide copies of all documentation submitted

1 therewith.

2 **7.7. Administrator Duties.**

3 7.7.1. Email Address, Fax Number, and Toll-Free Number. The Administrator shall
4 establish and maintain and use an email address, fax number, and a toll-free telephone number
5 to receive Class Member emails, faxes, and calls.

6 7.7.2. Weekly Reports. The Administrator must, on a weekly basis, provide written
7 reports to Class Counsel and Defense Counsel that, among other things, tally the number of:
8 Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion
9 (whether valid or invalid) received, objections received, challenges to Class Workweeks and/or
10 PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class Payments
11 and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the
12 Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all
13 Requests for Exclusion and objections received, except that any information provided to Class
14 Counsel shall not contain any personal identifying information (e.g., names and contact
15 information) of the Class Members.

16 7.7.3. Administrator’s Declaration. Not later than 21 days before the date by which
17 Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator
18 will provide to Class Counsel and Defense Counsel a signed declaration suitable for filing in
19 Court attesting to its due diligence and compliance with its obligations under this Agreement,
20 including, but not limited to, its mailing of the Class Notices, the Class Notices returned as
21 undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number
22 of Requests for Exclusion it received (both valid or invalid), and the number of written
23 objections received. The Administrator shall provide along with such declaration the Exclusion
24 List with all personal identifying information (e.g., names and contact information) redacted.
25 The Administrator will supplement its declaration as needed or requested by the Parties and/or
26 the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

27 7.7.4. Final Report by Administrator. Within 10 days after the Administrator
28 disburses the Gross Settlement Amount, the Administrator shall provide Class Counsel and

1 Defense Counsel a final report detailing its disbursements. At least 15 days before any deadline
2 set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense
3 Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all
4 payments required under this Agreement. Class Counsel is responsible for filing the
5 Administrator's declaration in Court.

6 **8. DEFENDANTS' OPTION TO ADJUST CLASS PERIOD OR GROSS SETTLEMENT**
7 **AMOUNT.**

8 **8.1.**If, through the date of Preliminary Approval or August 2, 2025, whichever is earlier, the
9 number of Class Workweeks for all Class Members exceeds 21,400 by more than 10-percent (i.e.,
10 23,541 or more Class Workweeks), then the Gross Settlement Amount may, subject to Defendants'
11 election, increase proportionally by \$12.85 for each additional Class Workweek in excess of 23,540.
12 In lieu of agreeing to increase the Gross Settlement Amount, Defendant may elect to end the Class
13 Period on the latest date on which the Class Workweeks of all Class Members is 23,540, or less.
14 Defendant shall have the exclusive right to either adjust the Gross Settlement Amount or the end
15 date for the Class Period if the Class Workweeks for All Class Members exceeds 23,540 by the date
16 of Preliminary Approval and shall have no obligation to pay in excess of \$275,000.00 plus
17 employer-side payroll taxes on the Wage Portion unless it expressly agrees to do so in a writing
18 signed by a corporate officer. The PAGA Period shall extend through the date of Preliminary
19 Approval and shall not be subject to any pro rata increase.

20 **9. DEFENDANTS' RIGHT TO WITHDRAW.**

21 **9.1.**Either Defendant Shannon Bros. Co. or Defendant SBC Logistics, Inc. shall have the
22 exclusive right to terminate the Settlement if more than seven and one-half percent of the Settlement
23 Class timely elect to exclude themselves from the Settlement, as determined by the Administrator.
24 If either Defendant exercises its right under this Section, then that Defendant shall be solely liable
25 for administrative costs incurred by the Administrator. Either Defendant must exercise its right to
26 terminate the settlement in a writing to Class Counsel stating an intention to terminate the Settlement
27 within 21-days of receiving the final Exclusion List from the Administrator. If either Defendant
28 elects to terminate the Settlement, then the Settlement shall be null and void.

1 **10. MOTION FOR FINAL APPROVAL.**

2 **10.1. Motion Preparation and Filing.** Plaintiff shall have responsibility for timely filing a
3 motion for final approval of the Settlement that includes a request for approval of the PAGA
4 settlement, a proposed Final Approval order, and a proposed Judgment (collectively “Motion for
5 Final Approval”). Plaintiff shall provide drafts of these documents to Defense Counsel not later than
6 five business days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel
7 will expeditiously meet and confer by telephone, and in good faith, to resolve any disagreements
8 concerning the Motion for Final Approval.

9 **10.2. Response to Objections.** Each Party retains the right to respond to any objection
10 raised by a Participating Class Member, including the right to file responsive documents in Court
11 no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted
12 by the Court.

13 **10.3. Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final
14 Approval on any material change to the Agreement (including but not limited to the scope of the
15 releases or changes to the Gross Settlement Amount), the Parties shall expeditiously work together
16 in good faith to address the Court’s concerns and endeavor to revise the Agreement as necessary to
17 obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class
18 Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses
19 Payment and/or Administrator Expenses Payment shall not constitute a material modification to the
20 Agreement within the meaning of this section. No Party shall be obligated to consent to any material
21 change in the Agreement, whether or not such material change is caused or requested by the Court.
22 The Parties shall have the continuing obligation to seek final approval of the settlement consistent
23 with the terms set forth herein, until the Effective Date occurs. Such obligation shall only cease upon
24 the written consent of all Parties.

25 **10.4. Continuing Jurisdiction of the Court.** The Parties agree that, after entry of Judgment,
26 the Court will retain jurisdiction over the Parties, the Action, and the Settlement solely for purposes
27 of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters,
28 and (iii) addressing such post-Judgment matters as are permitted by law, all pursuant to CCP 664.6.

1 **10.5.** Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
2 conditions of this Agreement, the Parties, their respective counsel, and all Participating Class
3 Members who did not object to the Settlement as provided in this Agreement, waive all rights to
4 appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right
5 to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The
6 waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals.

7 **10.6.** Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
8 appellate court vacates, reverses, or modifies the Judgment in a manner that requires a material
9 modification of this Agreement (including, but not limited to, the scope of releases or changes to
10 the Gross Settlement Amount), this Agreement shall be null and void. The Parties shall nevertheless
11 expeditiously work together in good faith to address the appellate court's concerns and to obtain
12 Final Approval and entry of Judgment, with any additional administrative expenses incurred being
13 paid from the Gross Settlement Amount, if approved by the Court. An appellate decision to vacate,
14 reverse, or modify the Court's award of the Class Representative Service Payment, the Class
15 Counsel Fees Payment, and/or the Class Counsel Litigation Expenses Payment shall not constitute
16 a material modification of the Judgment within the meaning of this section, as long as the Gross
17 Settlement Amount remains unchanged. No party shall be obligated to consent to any material
18 change in the Agreement, whether or not such material change is caused or requested by the
19 reviewing Court. The Parties shall have the continuing obligation to seek final approval of the
20 settlement consistent with the terms set forth herein, until the Effective Date occurs. Such obligation
21 shall only cease upon the written consent of all Parties.

22 **10.7.** Amended Judgment. If any amended judgment is required under Code of Civil
23 Procedure §384, the Parties will work together in good faith to jointly submit a [Proposed] Amended
24 Judgment.

25 **11. ADDITIONAL PROVISIONS.**

26 **11.1.** No Waiver of Right to Arbitrate Individually. Defendants are agreeing to class
27 treatment of the claims for settlement purposes only. If the Effective Date is not achieved, the parties
28 shall be returned to the *status quo ante*, Plaintiff's class claims shall remain stricken from the

1 Operative Complaint, and Plaintiff shall lack any right to proceed on a class basis as to his claims
2 against Defendants. Further, by agreeing to class treatment for settlement purposes, Defendants shall
3 not be deemed to have waived their right to arbitrate on an individual basis the claims of any Class
4 Members.

5 **11.2.** No Admission of Liability, Class Certification, or Representative Manageability for
6 Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims.
7 Nothing in this Agreement is intended or should be construed as an admission by Defendants that
8 any of the allegations in the Operative Complaint have merit or that Defendants have any liability
9 for any claims asserted. Nor shall this Agreement be intended or construed as an admission by
10 Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that class certification
11 and representative treatment is for purposes of this Settlement only. If, for any reason the Effective
12 Date is not achieved, Plaintiff shall not be permitted to pursue class claims, Defendants shall
13 otherwise be permitted to raise all available defenses to the claims in the Action, and Plaintiff
14 reserves the right to pursue individual claims and claims under PAGA after arbitrating his individual
15 case. The Settlement, this Agreement, and Parties' willingness to settle the Action will have no
16 bearing on, and will not be admissible in connection with, any litigation (except for proceedings to
17 enforce or effectuate the Settlement and this Agreement).

18 **11.3.** Confidentiality. Prior to Plaintiff filing his Motion for Preliminary Approval, the
19 Parties agree not to disclose, disseminate and/or publicize, or cause or permit another person to
20 disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly,
21 specifically or generally, to any person, corporation, association, government agency, or other entity
22 except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep
23 this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report
24 income to appropriate taxing authorities; (4) in response to a court order or subpoena; (5) in response
25 to an inquiry or subpoena issued by a state or federal government agency; or, (6) to Class Members
26 for purposes of informing them about this Settlement and its procedures. After preliminary approval,
27 Class Counsel shall not disclose this Settlement to current or former employees of Defendants, to
28 the media, or on any websites, blogs, social media, and/or online platforms. Exceptions to Class

1 Counsel's obligation of confidentiality after preliminary approval are (i) disclosures necessary to
2 comply with the law, judicial processes, or for financial planning or tax preparation purposes; (ii)
3 to the extent needed to enforce this Agreement; (iii) disclosures to a court for purposes of describing
4 its qualifications as counsel; or, (iv) disclosures to Class Members for purposes of informing them
5 about this Settlement and its procedures. Each Party agrees to immediately notify the other Party of
6 any judicial or agency order, inquiry, or subpoena seeking such information.

7 **11.4. No Solicitation.** The Parties agree that they and their respective counsel and
8 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
9 from the Judgment. Nothing in this section shall be construed to restrict the Parties' or their
10 respective counsel's ability to communicate with Class Members for purposes of informing them
11 about this Settlement and its procedures.

12 **11.5. Integrated Agreement.** Upon execution by the Parties, Class Counsel, and Defense
13 Counsel, this Agreement together with its attached exhibits shall constitute the entire agreement
14 between the Parties relating to the Settlement, superseding any and all oral representations,
15 warranties, covenants, or inducements made to or by any Party.

16 **11.6. Cooperation.** The Parties and their counsel will cooperate with each other and use
17 their best efforts, in good faith, to implement the Settlement. In the event the Parties are unable to
18 agree upon the form or content of any document necessary to implement the Settlement, or on any
19 modification of the Agreement that may become necessary to implement the Settlement, the Parties
20 will seek the assistance of Hon. Carl West (Ret.). Nothing in this section shall be construed as
21 obligating the Parties to consent to any material change in the Agreement, whether or not such
22 material change is caused or requested by the Court or the reviewing Court.

23 **11.7. No Prior Assignments.** The Parties separately represent and warrant that they have
24 not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
25 encumber to any person or entity any portion of any liability, claim, demand, action, cause of action,
26 or right released and discharged by the Party in this Settlement.

27 **11.8. No Tax Advice.** Plaintiff, Class Counsel, Defendants, and Defense Counsel are not
28 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied

1 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part
2 10, as amended) or otherwise.

3 **11.9.** Modification of Agreement. This Agreement, and all parts of it, may be amended,
4 modified, changed, or waived only by an express written instrument signed by all Parties.

5 **11.10.** Agreement Binding on Successors. This Agreement will be binding upon, and inure
6 to the benefit of, the successors of each of the Parties.

7 **11.11.** Applicable Law. All terms and conditions of this Agreement and its exhibits will be
8 governed by and interpreted according to the internal laws of the state of California, without regard
9 to conflict of law principles.

10 **11.12.** Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
11 of this Agreement. This Agreement will not be construed against any Party on the basis that the
12 Party was the drafter or participated in the drafting.

13 **11.13.** Use and Return of Class Data. Information provided to Class Counsel pursuant to
14 California Evid. Code §1152, and all copies and summaries of the Class Data provided to Class
15 Counsel by Defendants in connection with the mediation, other settlement negotiations, or in
16 connection with the Settlement, may be used only with respect to this Settlement, and no other
17 purpose, and may not be used in any way that violates any existing contractual agreement, statute,
18 or rule of court. Not later than 90 days after the Effective Date, Plaintiff shall destroy all paper and
19 electronic versions of Class Data received from Defendants unless, prior to the Effective Date,
20 Defendants make a written request to Class Counsel for the return, rather than the destruction, of
21 Class Data.

22 **11.14.** Headings. The descriptive heading of any section or section of this Agreement is
23 inserted for convenience of reference only.

24 **11.15.** Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement
25 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
26 weekend or legal holiday, such date or deadline shall be on the first business day thereafter.

27 **11.16.** Notice. All written notices, demands or other communications between the Parties in
28 connection with this Agreement shall be addressed as follows:

1 To Plaintiff:
2 Kenneth Seligson
3 **SELIGSON LAW P.C.**
4 2219 Main Street, Ste 710
5 Santa Monica, CA 90405
6 Ken@Seligsonlaw.com

7 To Defendants:
8 Ian B. Wieland, Esq.
9 Michael J. Conway II, Esq.
10 **SAGASER, WATKINS & WIELAND PC**
11 5260 N Palm Ave, Ste. 400
12 Fresno, CA 93704
13 Email: ian@sw2law.com; mikec@sw2law.com

14 **11.17. Execution in Counterparts.** This Agreement may be executed in one or more
15 counterparts by facsimile, electronically (i.e. DocuSign), or email, which for purposes of this
16 Agreement shall be accepted as an original. All executed counterparts and each of them will be
17 deemed to be one and the same instrument if counsel for the Parties will exchange between
18 themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove
19 the existence and contents of this Agreement.

20 Dated: July 16, 2025

ALEJANDRO BERMUDEZ

21 By: 
Alejandro Bermudez (Jul 16, 2025 10:21 PDT)

22 Dated: July __, 2025

SBC LOGISTICS, INC.

23 By: _____

24 Dated: July __, 2025

SHANNON BROS. CO.

25 By: 

1 To Plaintiff:
2 Kenneth Seligson
3 **SELIGSON LAW P.C.**
4 2219 Main Street, Ste 710
5 Santa Monica, CA 90405
6 Ken@Seligsonlaw.com

7 To Defendants:
8 Ian B. Wieland, Esq.
9 Michael J. Conway II, Esq.
10 **SAGASER, WATKINS & WIELAND PC**
11 5260 N Palm Ave, Ste. 400
12 Fresno, CA 93704
13 Email: ian@sw2law.com; mikec@sw2law.com

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19 the existence and contents of this Agreement.

20 Dated: July 16, 2025

ALEJANDRO BERMUDEZ

21 By: 
[Alejandro Bermudez \(Jul 16, 2025 10:21 PDT\)](#)

22 Dated: August 6, 2025

SBC LOGISTICS, INC.

23 By: 
[Scott Critchley \(Aug 6, 2025 13:40:44 PDT\)](#)

24 Dated: August __, 2025

SHANNON BROS. CO.

25 By: _____

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Approved as to Form

Dated: August 7, 2025

SAGASER, WATKINS & WIELAND PC

By:  _____

Ian B. Wieland
Michael J. Conway, II
Attorneys for Defendants

Dated: August 7, 2025

SELIGSON LAW P.C.

By: *Ken Seligson* _____

Kenneth Seligson
Attorneys for Plaintiff