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19 **SUPERIOR COURT OF CALIFORNIA**  
20 **FOR THE COUNTY OF SAN JOAQUIN**

21 TARA TROTTER, individually and on behalf  
22 of all other similarly situated employees,

23 Plaintiff,

24 vs.

25 SEC TRANSPORTATION, INC., a California  
26 Corporation; STOCKTON EDUCATIONAL  
27 CENTER, INC., an unknown association; and  
28 DOES 1 to 100, inclusive,

Defendants.

Case No.: STK-CV-UOE-0003641

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

Filed: April 11, 2023  
FAC Filed: July 7, 2023  
Trial Date: None Set

1 This Joint Stipulation Regarding Class Action and PAGA Settlement and Release is made and  
2 entered into between the Plaintiff Tara Trotter ("Plaintiff"), on behalf of herself, the Labor and Workforce  
3 Development Agency, Class Members, and Aggrieved Employees, and Defendants Sec Transportation,  
4 Inc., and Stockton Educational Center, Inc., ("Defendants"). This Agreement is subject to the terms and  
5 conditions set forth below and the approval of the Court.

6 **1. DEFINITIONS**

7 The following terms, when used in this Agreement, have the following meanings:

8 1.1 "Action" means the above stated lawsuit, *Trotter v. SEC Transportation Inc., et al.*, San  
9 Joaquin County Superior Court, Case No. STK-CV-UOE-0003641, filed April 11, 2023.

10 1.2 "Aggrieved Employee(s)" means all nonexempt employees who have worked, or continue  
11 to work, for Defendants in California at any time between April 10, 2022, up to either (1) the date a signed  
12 order preliminarily approving the settlement is filed by the Court, or (2) sixty (60) days after the acceptance  
13 of the Mediator's Proposal, whichever is earlier. The estimated number of Aggrieved Employees is 74.

14 1.3 "Agreement" or "Settlement" or "Settlement Agreement" means this Joint Stipulation  
15 Regarding Class Action and PAGA Settlement and Release.

16 1.4 "Class Counsel" means Galen T. Shimoda, Justin P. Rodriguez and Renald Konini of  
17 Shimoda & Rodriguez Law, PC.

18 1.5 "Class Member(s)" means all nonexempt employees who have worked, or continue to work,  
19 for Defendants in California at any time between April 10, 2019, up to either (1) ) the date a signed order  
20 preliminarily approving the settlement is filed by the Court, or (2) sixty (60) days after the acceptance of  
21 the Mediator's Proposal, whichever is earlier. The estimated number of Class Members is 186.

22 1.6 "Class Period" means April 10, 2019, up to either (1) the date a signed order preliminarily  
23 approving the settlement is filed by the court, or (2) sixty (60) days after acceptance of the Mediator's  
24 Proposal, whichever is earlier.

25 1.7 "Class Representative" means Plaintiff Tara Trotter .

26 1.8 "Class Representative's Released Claims" means all claims arising from, could have been  
27 asserted, or related in any way to the Class Representative's employment with Defendants, under federal,  
28 state, or local laws, and/or ordinances, or tort or contract theories, whether known or unknown, and whether

1 anticipated or unanticipated, including without limitation statutory, constitutional, contractual or common  
2 law claims for lost wages, unpaid wages, emotional distress, punitive damages, special damages, damages,  
3 unpaid costs, penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, equitable  
4 relief or other similar relief or claims. The Class Representative's Released Claims exclude claims for  
5 workers' compensation, unemployment insurance benefits, or other claims that cannot be released as a  
6 matter of law. Further, the Class Representative's Released Claims exclude all individual claims made in  
7 the Action by Plaintiff for (1) Violation of Labor Code § 1102 (Cause of Action 10 of the First Amended  
8 Complaint). and (2) Wrongful Termination/Retaliation (Cause of Action 11 of the First Amended  
9 Complaint).

10 1.9 "Complaint" means the operative Complaint on file in the Action with the Court.

11 1.10 "Court" means the San Joaquin County Superior Court.

12 1.11 "Defendants" means SEC Transportation, Inc., and Stockton Educational Center, Inc.

13 1.12 "Defendants' Counsel" means Kroloff, Belcher, Smart, Perry & Christopherson.

14 1.13 "Enhancement Payment" means the amount approved by the Court to be paid to the Class  
15 Representative in recognition of the time and effort expended on behalf of Class Members for the benefit  
16 of Class Members, which is in addition to any Individual Settlement Amount paid to the Class  
17 Representative as a Participating Class Member.

18 1.14 "Effective Date" means the Final Approval Date unless there is a timely objection lodged  
19 that has not later been withdrawn, in which case the Effective Date will be either (a) the 60th calendar day  
20 after a signed order approving this settlement has been filed provided no appellate proceeding having been  
21 filed; or (b) seventh (7th) calendar day after any appellate proceeding opposing the settlement has been  
22 finally dismissed with no material change to the terms of this settlement and there is no right to pursue  
23 further remedies or relief, whichever is later.

24 1.15 "Final Approval Date" means the date a signed order granting final approval of this  
25 Agreement is filed with the Court.

26 1.16 "Gross Settlement Amount" is the sum of Two Hundred Thousand Dollars (\$200,000).  
27  
28

1 1.17 "Individual Settlement Amount" means an individual Class Member's and Aggrieved  
2 Employee's allocation of the Net Settlement Amount and PAGA Payment respectively, as defined in  
3 Sections 1.19, 1.23, 5.5, and 5.8.

4 1.18 "LWDA" means the California Labor and Workforce Development Agency.

5 1.19 "Net Settlement Amount" is the portion of the Gross Settlement Amount available for  
6 distribution to Class Members, as described in this Agreement, after deduction of Class Counsel's  
7 attorneys' fees and litigation costs, Settlement Administrator Costs, the PAGA Payment, and Enhancement  
8 Payment to the Class Representative.

9 1.20 "Notice of Settlement" means the document substantially in the form attached hereto as  
10 Exhibit 1.

11 1.21 "Notice Period" means sixty (60) calendar days from the initial mailing of the Notice of  
12 Settlement to Class Members and Aggrieved Employees.

13 1.22 "PAGA" means Private Attorneys General Act.

14 1.23 "PAGA Payment" means the amount allocated from the Gross Settlement Amount towards  
15 resolving claims under the Private Attorneys General Act of 2004, California Labor Code §§ 2698 *et seq.*

16 1.24 "PAGA Claim Period" means April 10, 2022, up to either (1) the date a signed order  
17 preliminarily approving the settlement is filed by the court, or (2) sixty (60) days after the acceptance of  
18 the Mediator's Proposal, whichever is earlier.

19 1.25 "Parties" mean Defendants and Plaintiff.

20 1.26 "Participating Class Member" means any and all Class Members who have not made any  
21 timely request to opt-out of the Agreement.

22 1.27 "Preliminary Approval Date" means the date a signed order granting preliminary approval  
23 of this Agreement is filed with the Court.

24 1.28 "QSF" means a Qualified Settlement Fund set up by the Settlement Administrator for the  
25 benefit of the Participating Class Members and/or Aggrieved Employees and from which the payments  
26 under this Agreement shall be made. Any amounts Defendants have agreed to pay under this Agreement  
27 shall remain the property of Defendants until the payments required under the Agreement are made.  
28

1.29 "Qualifying Workweeks" are weeks worked by Class Members and/or Aggrieved Employees during the Class Period and/or PAGA Claim Period, respectively, in California. For Class Members, workweeks shall be defined as the total length of service (in days) in California during the Class Period divided by seven. For Aggrieved Employees workweeks shall be defined as the total length of service (in days) in California during the PAGA Claim Period divided by seven. The calculation of a Class Member's and/or Aggrieved Employee's workweeks and a determination as to whether a Class Member and/or Aggrieved Employee was actively employed in California in a particular workweek shall be construed from Defendants' records.

1.30 "Released Class Claims" means any and all class claims that are alleged in the Complaint, and any additional wage and hour claims that could have been brought based on the facts alleged in the Complaint, through the Class Period. This release excludes the release of claims not permitted by law. The Released Class Claims exclude claims for workers' compensation or unemployment insurance benefits. This release will cover all Class Members who do not opt out.

1.31 "Released PAGA Claims" means any and all claims that were brought under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.*, contained in the Complaint and any additional wage and hour PAGA claims that could have been brought based on the facts alleged in the Complaint during the PAGA Claim Period. Aggrieved Employees cannot opt out of this waiver of claims.

1.32 "Released Parties" means Defendants, as well as Defendants' officers, shareholders, directors, agents, employees, attorneys, and insurers.

1.33 "Settlement Administrator" means and refers to ILYM Group, Inc., the third-party entity that will administer the Agreement as outlined in Sections 4 and 7, or any other third-party administrator agreed to by the Parties and approved by the Court for the purposes of administering this Agreement. The Parties each represent that they do not have any financial interest in the Settlement Administrator.

1.34 "Settlement Administrator Costs" means the fees and expenses reasonably incurred by the Settlement Administrator as a result of the procedures and processes expressly required by this Agreement, and shall include all costs of administering the Agreement, including, but not limited to, all tax document preparation, custodial fees, and accounting fees incurred by the Settlement Administrator; all costs and fees associated with preparing, issuing and mailing any and all notices and other correspondence to Class

1 Members and/or Aggrieved Employees; all costs and fees associated with communicating with Class  
2 Members and/or Aggrieved Employees, Class Counsel, and Defendants' Counsel; all costs and fees  
3 associated with computing, processing, reviewing, and paying the Individual Settlement Amounts, and  
4 resolving disputes; all costs and fees associated with calculating tax withholdings and payroll taxes, if any,  
5 making related payment to federal and state tax authorities, if any, and issuing tax forms relating to  
6 payments made under the Agreement; all costs and fees associated with preparing any tax returns and any  
7 other filings required by any governmental taxing authority or agency; all costs and fees associated with  
8 preparing any other notices, reports, or filings to be prepared in the course of administering Individual  
9 Settlement Amounts; and any other costs and fees incurred and/or charged by the Settlement Administrator  
10 in connection with the execution of its duties under this Agreement.

## 11 **2. DESCRIPTION OF THE LITIGATION**

12 2.1 On or about April 10, 2023, Plaintiff sent notice to the LWDA to exhaust administrative  
13 remedies under the PAGA for 1) Failure to Pay Overtime Wages, (2) Failure to Pay Minimum Wages, (3)  
14 Failure to Provide Meal Periods or Pay Premiums in Lieu Thereof, (4) Failure to Provide Rest Periods or  
15 Pay Premium in Lieu Thereof, (5) Failure to Provide Accurate Wage Statements, (6) Failure to Pay Final  
16 Wages, (7) Failure to Maintain Accurate Records, (8) Unlawful Inquiry Into Criminal History, and (9)  
17 Violation of Labor Code § 1102. The LWDA did not respond to the notice within the statutorily required  
18 time frame and, as such, Plaintiff became authorized to act as a Private Attorneys General on all alleged  
19 PAGA claims.

20 2.2 On or about April 11, 2023, Plaintiff filed a class action Complaint in San Joaquin County  
21 Superior Court on behalf of herself and Class Members alleging claims for 1) Failure to Pay Overtime  
22 Wages, 2) Failure to Pay Minimum Wages, 3) Meal Period Violations, 4) Rest Period Violations, 5) Wage  
23 Statement Violations, 6) Waiting Time Penalties, 7) Unfair Competition, 8) Unlawful Inquiry Into Criminal  
24 History, 9) Violation of Labor Code Section 1102, and 10) Wrongful Termination/Retaliation. Plaintiff  
25 filed a First Amended Complaint on approximately July 7, 2023 to add a PAGA cause of action based on  
26 the violations alleged in the April 10, 2023 notice to the LWDA on behalf of herself and Aggrieved  
27 Employees.  
28

1           2.3     Through formal discovery, Defendants and Defendants' Counsel provided Class Counsel  
2 with copies of all applicable versions of its policies and procedures, employee handbooks, information on  
3 Class Members including, but not limited to, Class Members' workweeks, dates of employment, total  
4 number of Class Members, their rates of pay, and pay periods as well as timecard data and payroll reports  
5 for a randomly selected sample of Class Members.

6           2.4     After Class Counsel received the data, the Parties engaged in informal settlement  
7 negotiations, but were not able to come to a resolution. On September 18, 2023, the Parties participated in  
8 a lengthy mediation with private mediator Brandon McKelvey. At the conclusion of the mediation, the  
9 Parties were able to come to a resolution by accepting a Mediator's Proposal. At all times, the Parties'  
10 settlement negotiations have been non-collusive, adversarial, and at arm's length.

11          2.5     Discussions between Plaintiff and Class Counsel, between counsel for the Parties, document  
12 productions, extensive legal analysis, the provision of information by Defendants to Plaintiff and the  
13 detailed analysis of the records, including expert analysis, have permitted each side to assess the relative  
14 merits of the claims and the defenses to those claims.

15          2.6     In the Action, Plaintiff contends that Defendants violated California law by 1) failing to pay  
16 Plaintiff and putative class members' split shift premiums, 2) failing to pay Plaintiff and putative class  
17 members for all hours worked due to Defendants' failure to pay Plaintiff and putative class members for  
18 the time spent waiting for clients to be released from schools, 3) failing to provide Plaintiff and putative  
19 class members with off-duty meal and rest periods, 4) failing to pay Plaintiff and putative class members  
20 meal period and rest period premiums for missed meal and rest periods and for the on-duty meal and rest  
21 periods, 5) failing to pay for all hours worked stated in Plaintiff's and putative class members' timecards,  
22 6) engaging in unlawful inquiry into the criminal history of putative class members, and 7) retaliating  
23 against Plaintiff for informing Defendants that they were not paying Plaintiff for all hours worked.  
24 Defendants reclassified Plaintiff as an "on-call" employee for informing Defendants that she was not being  
25 paid for all hours worked. Defendants' reclassification of Plaintiff as an "on-call" employee was wrongful  
26 termination and retaliation because Defendants never called Plaintiff back to work for them again.  
27 Defendants' violation of California law also resulted in derivative wage statements and waiting time  
28 penalty violations, as well as derivative PAGA penalties. Defendants have denied each of Plaintiff's claims

1 and Defendants have denied that this Action is appropriate for class certification for anything other than  
2 settlement purposes. The agreed upon Gross Settlement Amount was reached after evaluating the Parties'  
3 theories of potential exposure for the underlying claims and the class data supporting these claims. The  
4 Parties, with the assistance of the mediator, also assessed appropriate discounts to the potential liability  
5 based on Defendants' factual and legal contentions and defenses.

6 2.7 The Parties agree that the above-described investigation and evaluation, as well as discovery  
7 and the information exchanged to date, are more than sufficient to assess the merits of the respective  
8 Parties' positions and to compromise the issues on a fair and equitable basis. Plaintiff, Class Counsel,  
9 Defendants, and Defendants' Counsel have concluded that it is desirable that the Action be settled in a  
10 manner and upon such terms and conditions set forth herein in order to avoid further expense,  
11 inconvenience and distraction of further legal proceedings, and the risk of an adverse outcome each of the  
12 Parties potentially face in the Action. Therefore, the Parties desire to resolve the claims in the Action.  
13 Plaintiff, Class Counsel, Defendants, and Defendants' Counsel are of the opinion that the Agreement for  
14 the consideration and terms set forth herein is fair, reasonable, and adequate in light of all known facts and  
15 circumstances.

### 16 3. THE CONDITIONAL NATURE OF THIS AGREEMENT

17 3.1 This Agreement and all associated exhibits or attachments are made for the sole purpose of  
18 settling the Action. This Agreement and the settlement it evidences are made in compromise of disputed  
19 claims. Because the Action was pled as a class action, this Agreement must receive preliminary and final  
20 approval by the Court. Accordingly, the Parties enter into this Agreement and associated settlement on a  
21 conditional basis. If the Effective Date does not occur, or if the Court's approval of the settlement is  
22 reversed or materially modified on appellate review, this Agreement shall be deemed null and void; it shall  
23 be of no force or effect whatsoever; it shall not be referred to or utilized for any purpose whatsoever; and  
24 the negotiation, terms and entry of the Agreement shall remain subject to the provisions of California  
25 Evidence Code Sections 1119 and 1152, Federal Rule of Evidence 408, and any other analogous rules of  
26 evidence that may be applicable.

27 3.2 Defendants have denied all claims as to liability, damages, liquidated damages, penalties,  
28 interest, fees, restitution, injunctive relief and all other forms of relief asserted in the Action. Defendants



1 have agreed to resolve the Action via this Agreement, but to the extent this Agreement is deemed void or  
2 the Effective Date does not occur, Defendants do not waive, but rather expressly reserve, all rights to  
3 challenge all such claims and allegations in the Action upon all procedural and factual grounds, including,  
4 without limitation, the ability to challenge class or collective treatment on any grounds, as well as to assert  
5 any and all other potential defenses or privileges.

6 **4. SCOPE OF THE CLASS**

7 4.1 The scope of the class of individuals encompassed under the Agreement and subject to all  
8 obligations and duties required under the Agreement, shall include all Class Members as defined in Section  
9 1.5 and all Aggrieved Employees as defined in Section 1.2. However, it shall not include any Class  
10 Members who submit valid and timely requests to opt-out of the Agreement and settlement, as set forth in  
11 Section 7.5.1.

12 4.2 Only Participating Class Members and Aggrieved Employees are entitled to recover under  
13 this Agreement.

14 4.3 Any person who believes that he or she is a Class Member or Aggrieved Employee and  
15 wishes to participate in the Agreement, but did not receive a Notice of Settlement because his or her name  
16 did not appear on the class list provided to the Settlement Administrator prior to mailing, may submit a  
17 data request to the Settlement Administrator. The data request must contain all of the following  
18 information: (a) the full name and, if applicable, Social Security Number of the individual making the  
19 request; (b) the name used by such employee as of the time his or her employment with Defendants ended;  
20 (c) the individual's dates of employment with Defendants; and (d) a return address to which a response  
21 may be sent. Every data request must be postmarked on or before the conclusion of the Notice Period or  
22 otherwise submitted to the Settlement Administrator such that it is received before the conclusion of the  
23 Notice Period. Upon receipt of any data requests, the Settlement Administrator shall promptly (in no event  
24 more than two business days) transmit the data requests to Defendants' Counsel and request that Defendants  
25 review their records.

26 4.4 If Defendants agree that the person listed in a data request is a Class Member and/or  
27 Aggrieved Employee, the Settlement Administrator shall promptly mail a Notice of Settlement to the  
28 person who submitted the data request, at the address designated for that purpose in the data request. All

provisions of this Agreement relating to the Notice of Settlement shall apply to Notice of Settlements sent in response to data requests, and any person who submits a data request and is sent a Notice of Settlement in response shall be treated by the Settlement Administrator as a Class Member and/or Aggrieved Employee for all other purposes.

4.5 If Defendants do not agree that the person listed in a data request is a Class Member and/or Aggrieved Employee, Defendants' Counsel and Class Counsel shall attempt to resolve any such dispute in good faith within seven (7) calendar days of Class Counsel being advised in writing of the data request dispute. Defendants' records shall control unless the individual submitting the data request provides persuasive evidence to doubt the accuracy of those records. Each data request dispute that Defendants' Counsel and Class Counsel cannot timely resolve shall be resolved by the Settlement Administrator. The Settlement Administrator must accept and weigh all the evidence provided in a good faith attempt to resolve the dispute. The Settlement Administrator must resolve any dispute submitted to it within seven (7) calendar days after Defendants' Counsel and Class Counsel submit the dispute to the Settlement Administrator. The decision by the Settlement Administrator shall be final as between the parties, subject to Court review.

## **5. TERMS OF THE SETTLEMENT**

The Parties agree as follows:

5.1 Gross Settlement Amount: In consideration and exchange for the releases described in Section 6, Defendants shall pay the Gross Settlement Amount (\$200,000). Funding of the Gross Settlement Amount shall occur within 21 calendar days after the Effective Date to be held in trust in a QSF by the Settlement Administrator. The Gross Settlement Amount includes payments to Participating Class Members, Aggrieved Employees, all attorneys' fees, costs and litigation expenses related to the Action incurred to date, as well as all such fees and costs incurred in documenting the Agreement, administering the Agreement (including Settlement Administrator Costs), and obtaining final approval of the Agreement, the Enhancement Payment to the Class Representative and the PAGA Payment. Any monies necessary to satisfy Defendants' tax obligations (*e.g.* employer FICA, FUTA and SDI contributions on wage payments) on any monies distributed to Participating Class Members will be paid in addition to the Gross Settlement Amount.

1           5.2     Attorneys' Fees and Costs: Class Counsel will apply to the Court for attorney's fees of 35%  
2 of the Gross Settlement Amount, which shall be paid from the Gross Settlement Amount. Defendants have  
3 agreed to not oppose Class Counsel's application for attorneys' fees so long as it does not exceed the 35%  
4 threshold. Class Counsel will also be entitled to reimbursement for advanced litigation expenses not to  
5 exceed \$15,000, which shall be paid from the Gross Settlement Amount. Defendants have agreed to not  
6 oppose Class Counsel's request for reimbursement for advanced litigation expenses so long as they do not  
7 exceed the \$15,000 threshold. The Settlement Administrator will issue Class Counsel an IRS Form 1099  
8 for the attorneys' fees and costs paid under this Agreement. In the event that the Court awards less than  
9 the requested attorney's fees and/or costs, the portion of the requested amounts not awarded to Class  
10 Counsel shall be added to the Net Settlement Amount to be distributed to Participating Class Members on  
11 a pro rata basis.

12           5.3     Settlement Administrator Costs: The Settlement Administrator Costs shall be paid from the  
13 Gross Settlement Amount and shall not exceed \$15,000. The difference between any actual costs and the  
14 allocated \$15,000 shall be added to the Net Settlement Amount to be distributed to Participating Class  
15 Members on a pro rata basis.

16           5.4     Enhancement Payment: Class Counsel, on behalf of Plaintiff, shall apply to the Court for  
17 an Enhancement Payment to the Class Representative in an amount not to exceed Five Thousand Dollars  
18 (\$5,000) to compensate for the risks, time, and expense of her involvement in the Action and securing the  
19 benefits of this Agreement for Class Members. The Enhancement Payment is in addition to the Individual  
20 Settlement Amount Plaintiff would otherwise be due under the Agreement as a Participating Class Member.  
21 Defendants have agreed to not oppose Class Counsel's request for an Enhancement Payment to Plaintiff  
22 so long as it does not exceed the amount stated herein. The Enhancement Payment will be designated as a  
23 non-wage payment and reported on an IRS Form 1099-MISC. In the event that the Court awards less than  
24 the Enhancement Payment amount requested, then any portion of the requested amount not awarded to the  
25 Class Representative shall be added to the Net Settlement Amount to be distributed to Participating Class  
26 Members on a pro rata basis.

27           5.5     PAGA Payment: Ten Thousand (\$10,000) of the Gross Settlement Amount shall be  
28 allocated to resolving claims under the PAGA. Seventy-Five percent (75%) of the PAGA Payment will be

1 paid to the LWDA and Twenty-Five percent (25%) will be paid to Aggrieved Employees on a pro rata  
2 basis as described below in Section 5.8. Any amount not approved by the Court for the allocated PAGA  
3 Payment shall be added to the Net Settlement Amount to be distributed to Participating Class Members on  
4 a pro rata basis.

5       5.6   Treatment of Residue and Cy Pres: For any portion of the Net Settlement Amount or PAGA  
6 Payment allocated to Participating Class Members and/or Aggrieved Employees that were not claimed by  
7 cashing their respective settlement checks before the deadline to do so, that remaining amount shall be  
8 donated equally, *i.e.* 50/50, to Capital Pro Bono, Inc., and the Center for Workers' Rights under the doctrine  
9 of *cy pres*. No portion of the Gross Settlement Amount will revert to Defendants for any reason.

10       5.7   No Additional Benefits Contributions: All Individual Settlement Amounts paid to  
11 Participating Class Members and Aggrieved Employees shall be deemed to be income solely in the year in  
12 which such amounts were actually received. It is expressly understood and agreed that the receipt of such  
13 Individual Settlement Amounts will not entitle any Participating Class Member or Aggrieved Employee to  
14 any new or additional compensation or benefits under any company bonus or other compensation or benefit  
15 plan or agreement in place during the period covered by the Agreement, nor will it entitle any Participating  
16 Class Member Aggrieved Employee to any increased retirement, 401(k) and/or 403(b) benefits or matching  
17 benefits, or deferred compensation benefits. It is the intent of this Agreement that the Individual Settlement  
18 Amounts provided for in this Agreement are the sole payments to be made by Defendants to the  
19 Participating Class Members and Aggrieved Employees in connection with this Agreement  
20 (notwithstanding any contrary language or agreement in any benefit or compensation plan document that  
21 might have been in effect during the period covered by this Agreement).

22       5.8   Pro Rata Distribution Formula: Payment to Participating Class Members and Aggrieved  
23 Employees of their Individual Settlement Amount will not require the submission of a claim form. A Net  
24 Settlement Amount will be determined by subtracting from the Gross Settlement Amount any amounts for  
25 approved attorneys' fees and costs, any Enhancement Payment to the Class Representative, the Settlement  
26 Administrator Costs, and the PAGA Payment. Each Class Member's share will be initially determined by  
27 dividing their total Qualifying Workweeks within the Class Period by the total Qualifying Workweeks of  
28 all Class Members. That fraction will then be multiplied by the Net Settlement Amount to arrive at the

1 Class Member's individual share of the Net Settlement Amount. Any funds allocated to Class Members  
2 under this formula who timely opt out of the Settlement will be redistributed to Participating Class  
3 Members on a pro rata basis, *i.e.* each Participating Class Member's share will be determined by dividing  
4 their total Qualifying Workweeks within the Class Period by the total Qualifying Workweeks of all  
5 Participating Class Members and that fraction will then be multiplied by the Net Settlement Amount to  
6 arrive at the Participating Class Member's individual share of the Net Settlement Amount. Each Aggrieved  
7 Employee's share of the 25% portion of the PAGA Payment will be determined by dividing their total  
8 Qualifying Workweeks within the PAGA Claim Period by the total Qualifying Workweeks by all  
9 Aggrieved Employees within the PAGA Claim Period. That fraction will then be multiplied by the 25%  
10 portion of the PAGA Payment to arrive at the Aggrieved Employee's individual share.

11       5.9   Tax Allocation: The Parties recognize that the Individual Settlement Amounts to be paid to  
12 Participating Class Members and/or Aggrieved Employees reflect a settlement of a dispute over claimed  
13 penalties and wages. The Settlement Administrator shall calculate the employer's share of payroll taxes  
14 on the amounts paid to Participating Class Members as wages as well as calculating all required  
15 withholdings and deductions from said wage payments. The characterization of Individual Settlement  
16 Amounts to Participating Class Members and Aggrieved Employees are as follows:

17               5.9.1 One Third (1/3) of each Participating Class Members' Individual Settlement  
18 Amount shall be allocated for payment of disputed wages and shall be subject to required employer taxes.  
19 Participating Class Members shall receive an IRS Form W-2 for reporting of this portion of their Individual  
20 Settlement Amount.

21               5.9.2 Two Thirds (2/3) of each Participating Class Members' Individual Settlement  
22 Amount shall be allocated for disputed statutory penalties and interest, and no amount shall be deducted  
23 for any taxes. This portion of the Individual Settlement Amount consists of other income, not wages, for  
24 which the Participating Class Members shall receive an IRS Form 1099-MISC.

25               5.9.3 The entirety (100%) of each Aggrieved Employee's share of the 25% portion of the  
26 PAGA Payment shall be allocated for payment of disputed civil penalties, and no amount shall be deducted  
27 for any taxes. This portion of the Individual Settlement Amount consists of other income, not wages, for  
28 which the Aggrieved Employees shall receive an IRS Form 1099-MISC.

1           5.10 Participating Class Members and Aggrieved Employees shall be solely responsible for the  
2 reporting and payment of their share of any federal, state and/or municipal income or other taxes on  
3 payments made pursuant to this Agreement, and shall hold the Parties, Class Counsel, and Defendants'  
4 Counsel free and harmless from any claims resulting from treatment of such payments as non-taxable,  
5 including the treatment of such payments as not subject to withholding or deduction for payroll and  
6 employment taxes. No party has made any representation to any of the other Parties as to the taxability of  
7 any payments pursuant to this Agreement, including the payments to Participating Class Members, the  
8 payments to Aggrieved Employees, the payments to Class Counsel, the payments to the Class  
9 Representative, the payroll tax liability of Defendants, or the allocation of the Net Settlement Amount or  
10 PAGA Payment to wage and non-wage income as provided in this Section, or otherwise as to tax  
11 implications of any provision of this Agreement.

12           5.11 No Additional Contribution by Defendants: Defendants' monetary obligation under this  
13 Agreement is limited to the Gross Settlement Amount and any employer side payroll taxes owed on  
14 amounts characterized as wages under this Agreement. All other costs and expenses arising out of or in  
15 connection with the performance of this Agreement shall be paid from the Gross Settlement Amount, unless  
16 expressly provided otherwise herein. However, in the event this agreement is deemed null and void as  
17 described in Section 3 because the Court, in its independent determination, finds that the Agreement does  
18 not meet the standards for settlement approval, then Defendants and Plaintiff shall be equally responsible  
19 for the costs of the Settlement Administrator incurred between the date the Agreement was executed and  
20 the date of such event.

21           5.12 Certification For Settlement Purposes: The Parties agree that, for purposes of settlement  
22 only, certification of the class as defined in Section 1.5 and 4.1 is appropriate and the requisites for  
23 establishing class certification have been met and are met.

24           5.13 Adequacy of Class Counsel and Class Representative: The Parties agree that, for purposes  
25 of settlement only, Class Counsel and Plaintiff are adequate representatives for Class Members and  
26 Aggrieved Employees.

27 **6. RELEASE**  
28

1           6.1    Release of Claims by Participating Class Members: Upon the Effective Date, all  
2 Participating Class Members will be deemed to fully, finally and forever release the Released Class Claims  
3 as to all Released Parties. In addition, on the Effective Date, all Participating Class Members and their  
4 successors in interest will be permanently enjoined and forever barred from prosecuting any of Released  
5 Class Claims against any of the Released Parties.

6           6.2    Release of Claims by Aggrieved Employees: Upon the Effective Date, all Aggrieved  
7 Employees will be deemed to fully, finally and forever release the Released PAGA Claims as to all  
8 Released Parties. In addition, on the Effective Date, all Aggrieved Employees and their successors in  
9 interest will be permanently enjoined and forever barred from prosecuting any of the Released PAGA  
10 Claims against any of the Released Parties.

11          6.3    Release by Plaintiff: Upon the Effective Date, Plaintiff will be deemed to fully, finally and  
12 forever release the Released Class Claims, Released PAGA Claims, and Class Representative's Released  
13 Claims as to all Released Parties. In addition, on the Effective Date, Plaintiff and any successors in interest  
14 will be permanently enjoined and forever barred from prosecuting any of the Released Class Claims,  
15 Released PAGA Claims, and Class Representative's Released Claims against any of the Released Parties.

16       **7.       SETTLEMENT ADMINISTRATION**

17          7.1    Duties of Settlement Administrator: The Settlement Administrator shall be responsible for:  
18 1) receiving Class Member and Aggrieved Employee contact information and confirming addresses are  
19 valid; 2) calculating estimated Individual Settlement Amounts and any and all taxes associated with the  
20 Individual Settlement Amounts, including employer taxes; 3) taking appropriate steps to trace and locate  
21 any individual Class Members and Aggrieved Employee whose address or contact information as provided  
22 to the Settlement Administrator is inaccurate or outdated and mailing the Notice of Settlement to Class  
23 Members; 4) providing notification to the appropriate state and federal officials of this Agreement as  
24 required under the law; 5) receiving, independently reviewing, and resolving any challenges (in  
25 consultation with Class Counsel and Defendants' Counsel) from Class Members or Aggrieved Employees,  
26 including any associated documentation, regarding their Qualified Workweek calculations; 6) receiving  
27 and serving on Class Counsel, Defendants' Counsel, and the Court, copies of any written objections, and/or  
28 any opt out statements; 7) establishing a toll free telephone line and responding to inquiries and requests

1 for information or assistance from Class Members and/or Aggrieved Employees; 8) maintaining a QSF; 9)  
2 determining and paying the final amounts due to be paid under the Agreement after resolution of all  
3 challenges, disputes, opt-outs, awarded attorneys' fees and costs, Settlement Administrator Costs, PAGA  
4 Payment, taxes, any Enhancement Payments, and for funds that cannot be distributed due to the inability  
5 to locate Class Members or Aggrieved Employees; 10) determining the validity of any disputes or late opt-  
6 outs by previously unidentified Class Members or Aggrieved Employees; 11) paying any residual funds  
7 from uncashed checks; 12) reporting to Class Counsel and Defendants' Counsel regarding the statistics of  
8 the administration, including (a) the number of initial Notice of Settlements mailed; (b) the number of  
9 forwarded Notice of Settlements; (c) the number of re-mailed Notice of Settlements; (d) the number of  
10 total undeliverable Notice of Settlements; (e) the number of address traces performed for undeliverable  
11 Notice of Settlements; (f) the number of Notice of Settlements undeliverable from traced addresses; (g) the  
12 number of total objections received; (h) the number of opt-out requests received; (i) the number of disputes  
13 received; (j) the number of disputes resolved; 13) providing a declaration to the Court regarding the final  
14 statistics of the administration and compliance with all payment obligations under the Agreement; 14)  
15 completing all necessary tax reporting on the QSF and payment of the Individual Settlement Amounts to  
16 Participating Class Members and Aggrieved Employees; and 15) carrying out other related tasks as  
17 necessary to effectuate the terms of this Agreement and any Order of the Court. All disputes relating to  
18 the Settlement Administrator's ability and need to perform its duties shall be referred to the Court, if  
19 necessary, which will have continuing jurisdiction over the terms and conditions of this Agreement, until  
20 all payments and obligations contemplated by the Agreement have been fully executed.

21       7.2    Notice to Class Members and Aggrieved Employees: Defendants represent and warrant that  
22 Class Members and Aggrieved Employees are able to read and write in English such that no translation of  
23 the Notice of Settlement into another language is necessary. The Notice of Settlement will provide Class  
24 Members and Aggrieved Employees with a summary of the terms and conditions of the Agreement, how  
25 to participate in the settlement, how to object to the Agreement, how to dispute the individual's Qualifying  
26 Workweeks, and how to opt-out from the Agreement. The Notice of Settlement will also inform Class  
27 Members and Aggrieved Employees of the Gross Settlement Amount, Net Settlement Amount, proposed  
28 attorneys' fees and costs allocations, any proposed Enhancement Payments, proposed Settlement



1 Administrator Cost allocations, proposed PAGA Payment allocations, the scope of the class, the nature and  
2 extent of the released claims, dates set for a fairness hearing and hearing on Class Counsels' motion for  
3 attorneys' fees and costs. The Notice of Settlement shall include information regarding Class Member's  
4 and Aggrieved Employee's estimated Individual Settlement Amount. The Notice of Settlement will  
5 provide information on how to access electronic copies online of the Notice of Settlement, any motions for  
6 approval of the Agreement, any motions for approval of attorneys' fees and costs, and any other documents  
7 as the Court directs.

8       7.3     Class Member Data and Mailing: No later than fourteen (14) calendar days after the  
9 Preliminary Approval Date, Defendants shall provide the Settlement Administrator with the name, last  
10 known mailing address, last known telephone number, Social Security Number, start and end date of  
11 employment (if any) of each Class Member and Aggrieved Employee, and any other information the  
12 Settlement Administrator needs to effectuate notice to Class Members and Aggrieved Employees as  
13 outlined herein. The Settlement Administrator shall review the data to determine the number of Qualifying  
14 Workweeks for each Class Member and Aggrieved Employee. No later than fourteen (14) calendar days  
15 after receipt of such address information, the Settlement Administrator will perform a national change of  
16 address ("NCOA") search, update the addresses per the results of the NCOA search, and then mail the  
17 Notice of Settlement, substantially in the form attached as Exhibit I, to each Class Member and Aggrieved  
18 Employee by first-class mail, postage prepaid. The Settlement Administrator shall maintain all information  
19 received from Defendants confidential to itself, and Defendants' Counsel. However, Class Counsel shall  
20 be able to review the breakdown of Qualified Workweeks and estimated Individual Settlement Amounts  
21 for Class Members and Aggrieved Employees prior to mailing for quality assurance provided the personal  
22 identifying information is redacted and/or omitted.

23       7.4     Returned and/or Re-mailed Notice of Settlements: In the event that a Notice of Settlement  
24 is returned to the Settlement Administrator as undeliverable on or before the conclusion of the Notice  
25 Period, the Notice of Settlement shall be sent to the forwarding address affixed thereto within five (5)  
26 calendar days. If no forwarding address is provided, then the Settlement Administrator shall promptly  
27 attempt to determine a correct address using a skip-trace, computer or other search using the name, address  
28 and/or Social Security number of the individual involved, and shall then perform a single re-mailing within

1 five (5) calendar days to any more recent address found as a result of the search. Following each search  
2 that does not result in a corrected address, for those Class Members who appear to be current employees  
3 of Defendants at the time of the Preliminary Approval Date, the Settlement Administrator shall contact  
4 Defendants' Counsel for assistance and Defendants shall cooperate in good faith with the Settlement  
5 Administrator's reasonable efforts to obtain valid mailing addresses for Class Members to the extent they  
6 are active employees of Defendants. In the event the Notice of Settlement is forwarded to a new address  
7 and/or re-mailed to a Class Member, the deadline for the Class Member to submit any request to opt-out,  
8 a dispute, or an objection shall be the end of the Notice Period or 10 days from the date of the re-  
9 mailing/forwarding to a new address, whichever is later. In the event the procedures in this Section are  
10 followed and the Class Member does not timely and properly request to opt-out, the Class Member shall  
11 be bound by all terms of the Agreement, including the releases contained in Section 6.

12 7.5 Responses to Notice of Settlement:

13 7.5.1 *Opt-Outs:* The Notice of Settlement shall provide that Class Members who wish to  
14 exclude themselves from the Agreement must submit a request to opt-out as provided in this Section. The  
15 request to opt-out must (a) state the Class Member's full name and date of birth; (b) a statement that he or  
16 she does not want to be a Class Member, does not want to participate in the settlement, and/or wants to be  
17 excluded from the settlement; (c) identify the case name and number (i.e. Trotter v. SEC Transportation  
18 Inc., et al. , Case No. STK-CV-UOE-0003641); (d) be signed; and (e) be post-marked no later than the  
19 conclusion of the Notice Period or the re-mailing timeline stated in Section 7.4. The Class Member must  
20 personally sign the request to opt-out. No request to opt-out may be made on behalf of a group of Class  
21 Members. The date of the postmark on the return-mailing envelope shall be the exclusive means used to  
22 determine whether a request to opt-out has been timely submitted. Any Class Member who requests to  
23 opt-out of the Agreement will not be entitled to any portion of the Net Settlement Amount nor will they  
24 have any right to object, appeal or comment thereon. The name of any Class Member who submits a valid  
25 and timely opt out request will be specifically identified in any proposed order granting final approval.  
26 Class Members who fail to submit a valid and timely request to opt-out shall be bound by all terms of the  
27 Agreement and any order or final judgment thereon. Regardless of whether an Aggrieved Employee opts  
28

1 out of being a Class Member, they will still receive their share of the PAGA Payment as Aggrieved  
2 Employees cannot opt out of this Agreement as it relates to the PAGA Payment or Released PAGA Claims.

3           7.5.2 *Objection Procedures:* Any Class Member who does not opt-out but who wishes to  
4 object to this Agreement or otherwise to be heard concerning this Agreement shall send their written  
5 objections to the Settlement Administrator and also serve copies of the objections on Class Counsel and  
6 Defendants' Counsel. The Notice of Settlement shall make clear that the Court can only approve or deny  
7 the Agreement, not change the terms of the Agreement. The objection must (a) state the Class Member's  
8 full name and date of birth; (b) provide evidence that the individual is, in fact, a Class Member; (c) state  
9 the reasons for the objection(s), including any supporting documentation; (d) identify the case name and  
10 number (*i.e.* Trotter v. SEC Transportation Inc., et al. , Case No. STK-CV-UOE-0003641) (e) be signed;  
11 and (f) be post-marked no later than the conclusion of the Notice Period or the re-mailing timeline stated  
12 in Section 7.4. The Notice of Settlement will inform the Class Member that they should also file a notice  
13 of intent to appear with the Court and serve the notice on Class Counsel and Defendants' Counsel, if they  
14 intend to appear at the final approval hearing.

15           7.5.3 *Dispute Procedures:* Any Class Member who disputes the number of Qualifying  
16 Workweeks on the Notice of Settlement shall contact the Settlement Administrator. The dispute must (a)  
17 identify the nature of the dispute; (b) provide any information or documentation supporting the dispute; (c)  
18 be signed; and (d) be post-marked no later than the conclusion of the Notice Period or the re-mailing  
19 timeline stated in Section 7.4. The Settlement Administrator shall promptly (in no event more than two  
20 business days) forward all such disputes to Defendants' Counsel and request that Defendants review the  
21 dispute. Defendants' records shall presumptively control unless the Class Member can produce  
22 documentation evidencing other periods of employment worked. If Defendants agree with submitted  
23 information, the Class Member shall be credited or subtracted Qualifying Workweeks in accordance with  
24 their submitted dispute and that final number of Qualified Workweeks shall govern the calculation of that  
25 Class Member's Individual Settlement Amount. If Defendants disagree with the submitted information,  
26 Defendants' Counsel will promptly advise Class Counsel of the dispute, which includes turning over any  
27 documentation submitted by the Class Member as part of the dispute. Defendants' Counsel and Class  
28 Counsel shall attempt in good faith to resolve any such dispute within five (5) calendar days of Class

Counsel being advised of the dispute. Each dispute that Defendants' Counsel and Class Counsel cannot timely resolve shall be resolved by the Settlement Administrator, subject to Court review.

*7.5.4 Deficient Opt-Outs, Objections, or Disputes:* In the event that a deficient opt-out, objection, or dispute is received on or before the conclusion of the Notice Period, the Settlement Administrator shall mail a letter to the Class Member within five (5) calendar days informing them of the deficiency. If a deficiency letter is mailed to a Class Member, the deadline for the Class Member to cure the deficiency shall be the end of the Notice Period or 10 calendar days from the date of the deficiency letter, whichever is later.

*7.6 Due Process Acknowledgement:* Compliance with the procedures set forth in Sections 7.1 to 7.5.4 shall constitute due and sufficient notice to Class Members of the Action and the Agreement and shall satisfy Class Members' due process rights. Nothing else shall be required of the Parties, Class Counsel or Defendants' Counsel to provide notice of the proposed Agreement.

*7.7 Settlement Administrator Declaration Regarding Notice Period:* Within fourteen (14) calendar days after the conclusion of the Notice Period, the Settlement Administrator shall provide Class Counsel and Defendants' Counsel with a signed declaration under penalty of perjury providing a complete and detailed report regarding the statistics and responses of settlement administration to date and all the Settlement Administrators' obligations under Sections 5.8 to 5.9.3 and 7.1 to 7.5.4.

*7.8 Settlement Administrator Payments to Participating Class Members, Class Counsel and Plaintiff:* Within seven (7) calendar days after the Effective Date and the Court's determination of the amount of attorneys' fees and costs payable to Class Counsel, the Enhancement Payment payable to Plaintiff, the PAGA Payment, and Settlement Administrator Costs, the Settlement Administrator shall calculate the final Net Settlement Amount, the final Individual Settlement Amounts for Participating Class Members and/or Aggrieved Employees, any applicable taxes thereon, and report the results of these calculations Class Counsel and Defendants' Counsel. Defendants shall wire the Gross Settlement Amount and applicable taxes necessary to fund the Settlement as described in Section 5.1 to the Settlement Administrator within twenty-one (21) calendar days after the Effective Date to be to be held in trust in a QSF. Within seven (7) calendar days after Defendants fund the settlement, the Settlement Administrator shall deliver payment of Class Counsels' attorney's fees and costs, the Enhancement Payment payable to

1 Plaintiff, the 75% portion of the PAGA Payment payable to the LWDA, Settlement Administrator Costs,  
2 and payment to Participating Class Members and/or Aggrieved Employees as required under this  
3 Agreement and approved by Court.

4 7.8.1 The Settlement Administrator shall wire the Court-approved attorneys' fees and  
5 costs to Class Counsel unless another method is requested by Class Counsel. Class Counsel shall provide  
6 the Settlement Administrator with the pertinent taxpayer identification number and payment instructions  
7 after the Final Approval Date.

8 7.8.2 The Settlement Administrator shall send a check by mail for the Court-approved  
9 Enhancement Payment to the Class Representative, care of Class Counsel unless another method is  
10 requested by Class Counsel.

11 7.8.3 Only Participating Class Members and Aggrieved Employees will receive their  
12 Individual Settlement Amount.

13 7.8.4 The Settlement Administrator shall remit and report the applicable portions of the  
14 payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties under this  
15 Agreement. Defendants agree to reasonably cooperate with the Settlement Administrator to the extent  
16 necessary to determine the amount of the payroll tax payment required.

17 7.9 Settlement Check Expiration and Uncashed Checks: The Settlement Administrator shall  
18 issue Individual Settlement Amounts to Participating Class Members and Aggrieved Employees in the  
19 form of a check, which shall become null and void if not deposited within one hundred eighty (180)  
20 calendar days of issuance. After one hundred eighty (180) calendar days of issuance, the checks shall be  
21 voided and funds from all uncashed checks shall be transmitted in accordance with Section 5.6. The  
22 Settlement Administrator shall deliver these funds within fourteen (14) calendar days after the check  
23 cashing deadline.

24 7.10 Settlement Administrator Declaration Regarding Compliance and Settlement  
25 Administration: Within twenty-one (21) calendar days after the last day for Participating Class Members  
26 and Aggrieved Employees to cash their settlement checks, the Settlement Administrator shall provide Class  
27 Counsel and Defendants' Counsel with a signed declaration under penalty of perjury providing a complete  
28 and detailed report regarding the settlement administration documenting that all payments under the

Agreement have been made, that the Court's final approval order has been complied with, and that all the obligations of the Settlement Administrator have been completed.

## **8. PRELIMINARY SETTLEMENT ADMINISTRATION SCHEDULE**

8.1 The schedule may be modified depending on whether and when the Court grants necessary approvals, orders notice to Class Members and Aggrieved Employees, and sets further hearings. The schedule may also be modified to correct clerical errors and to reflect the provisions in the Agreement as described above. In the event of such modification, the Parties shall cooperate to complete the settlement procedures as expeditiously as reasonably practicable. The preliminary schedule for notice, approval, and payment procedures carrying out the Agreement is as follows:

Last day for Defendants to provide Settlement Administrator with Class Member and Aggrieved Employee information	Within 14 calendar days after the Preliminary Approval Date
Last day for Settlement Administrator to complete NCOA search, update Class Member and Aggrieved Employee mailing information, and mail Notice of Settlement	Within 14 calendar days after the Settlement Administrators' receipt of Class Members' information from Defendants
Last day for Class Members to opt-out, submit disputes, submit objections, and submit data requests	60 calendar days after mailing of Notice of Settlement or within 10 days after Notice of Settlement is re-mailed, whichever is later
Last day for Settlement Administrator to provide Parties with signed declaration reporting on settlement administration statistics	Within 14 calendar days after end of the Notice Period
Last day for Settlement Administrator to calculate the final Net Settlement Amount, the final Individual Settlement Amounts for Participating Class Members and/or Aggrieved Employees, any applicable taxes thereon, and report the results of these calculations to Class Counsel and Defendants' Counsel	Within 7 calendar days after the Effective Date
Last day for Defendants to fund settlement	Within 21 calendar days after the Effective Date

1 2 3 4	Last day for Settlement Administrator to deliver payment of Class Counsel's attorney's fees and costs, Enhancement Payments, PAGA Payment, Settlement Administrator Costs, payment to Participating Class Members, and payment to Aggrieved Employees	Within 7 calendar days after Defendants have funded the settlement
5 6 7	Last day for Participating Class Members and Aggrieved Employees to cash settlement checks	180 calendar days after issuance of checks to Participating Class Members and Aggrieved Employees
8 9	Last day for Settlement Administrator to deliver value of uncashed settlement checks to <i>cy pres</i> beneficiaries	Within 14 calendar days after settlement check cashing deadline
10 11	Last day for Settlement Administrator to provide Parties with compliance declaration	Within 21 calendar days after settlement check cashing deadline

## 9. DUTIES OF THE PARTIES

9.1 Preliminary Approval: The Parties will cooperate in obtaining, through an unopposed motion to be filed as soon as reasonably practicable, an order from the Court preliminarily approving this Agreement at the earliest possible date concurrently with the Court's certification of the Action as a class action for settlement purposes. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents or filings reasonably necessary to be prepared or filed, shall take all steps that may be requested by the Court relating to, or that are otherwise necessary to the approval and implementation of this Agreement and shall otherwise use their respective best efforts to obtain certification for settlement purposes, approval of, and implementation of this Agreement. The Parties will submit this Agreement to the Court for preliminary approval of its terms and for approval of the steps to be taken to obtain its final approval. Within one week of signing this Agreement Class Counsel shall provide a draft of the Preliminary Approval Motion to Defendants' Counsel. Defendants' Counsel will provide comments and/or proposed revisions within one week after receipt of the draft Preliminary Approval Motion from Class Counsel. With regard to the final approval documents, a similar one-week maximum review and response time shall be observed by the Parties. The Parties will request that the Court's preliminary approval of this

Agreement be embodied in an Order Granting Preliminary Approval of Class Action and PAGA Settlement.

9.1.1 Plaintiff's motion shall seek an order: 1) Preliminarily approving the Agreement; 2) Approving as to form and content the proposed Notice of Settlement; 3) Directing the mailing of the Notice of Settlement by first class mail to Class Members and Aggrieved Employees; 4) Preliminarily appointing Plaintiff and Class Counsel as representatives of Class Members; 5) Preliminarily approving settlement administration services to be provided by the Settlement Administrator; 6) Preliminarily approving the proposed Enhancement Payment to Plaintiff; 7) Preliminarily approving the application for payment of reasonable attorneys' fees and reimbursement of litigation-related expenses to Class Counsel; and 8) Scheduling a fairness hearing on the question of whether the proposed Agreement should be finally approved as fair, reasonable and adequate as to the Class Members.

9.1.2 Defendants shall not oppose Plaintiff's motion for approval of the proposed Agreement.

9.1.3 The Parties shall cooperate with each other and the Settlement Administrator during the process of giving Class Members notice and opportunity to object to the Agreement, as necessary and appropriate to assure effective communication to individual Class Members of information about their rights and obligations under this Agreement.

9.2 Final Approval and Fairness Hearing: On a date approved by the Court and set forth in the Notice of Settlement, the Court shall hold the Final Approval and Fairness Hearing where objections, if any, may be heard. Class Counsel shall provide the Court as part of the motion for final approval of the Agreement, a declaration by the Settlement Administrator of due diligence and proof of mailing of the Notice of Settlement required to be mailed to Class Members by this Agreement, and of the delivery results of the Settlement Administrator's mailings including tracing and re-mailing efforts. The Settlement Administrator declaration shall identify, by name, any Class Member who submitted a timely and valid request to opt out during the Notice Period.

9.2.1 Class Counsel and Defendants shall work in good faith to draft a mutually agreeable Proposed Order Granting Final Approval of Class Action and PAGA Settlement and Final Judgment. The Proposed Order Granting Final Approval of Class Action and PAGA Settlement and Final Judgment shall



1 include findings and orders: 1) Approving the Agreement, adjudging the terms thereof to be fair, reasonable  
2 and adequate, and directing that its terms and provisions be carried out; 2) Approving the payment of an  
3 Enhancement Payment to the Class Representative; 3) Approving Class Counsel's application for an award  
4 of attorneys' fees and reimbursement of out-of-pocket litigation expenses; 4) Approving the Settlement  
5 Administrator Costs; and 5) Providing that the Court will retain jurisdiction to oversee administration and  
6 enforcement of the terms of the Agreement and the Court's orders.

7 9.2.2 Following entry of the Court's order granting final approval of the Agreement, the  
8 Parties will each act to ensure the fulfillment of all its provisions, including but not limited to the following:  
9 1) Should an appeal be taken from the final approval of the Agreement or motion to set aside the judgement  
10 be filed, all parties will support the final approval order on appeal or otherwise; 2) Class Counsel will assist  
11 the Settlement Administrator as needed or requested in the process of identifying and locating Participating  
12 Class Members and Aggrieved Employees entitled to payments under the Agreement and assuring delivery  
13 of such payments; 3) Class Counsel and Defendants' Counsel will cooperate with each other and assist the  
14 Settlement Administrator as needed or requested in completing the distribution of any residual amounts, as  
15 specified above, to the *cy pres* beneficiaries; 4) Class Counsel, in conjunction with the Settlement  
16 Administrator, will certify to the Court completion of all payments required to be made by this Agreement.

17 9.3 Final Judgment: If the Court approves this Agreement at the final approval and fairness  
18 hearing, the Parties will request that the Court enter an Order Granting Final Approval of Class Action and  
19 PAGA Settlement and Final Judgment.

20 9.4 Notice to LWDA: Plaintiff will provide notice to the Labor and Workforce Development  
21 Agency ("LWDA") of this settlement in accordance with Labor Code § 2699(1)(2).

## 22 10. MISCELLANEOUS TERMS

23 10.1 Defendant's Right to Withdraw Based on Opt-Outs: If, prior to the Final Approval Date,  
24 15% or more of the Class Members have submitted proper and timely requests to opt-out in accordance  
25 with the provisions of the Agreement. Defendants may rescind the Agreement and all actions taken in its  
26 furtherance will be thereby null and void. Defendants must exercise this right of rescission, in writing, to  
27 Class Counsel, within seven (7) calendar days after the Settlement Administrator notifies the Parties of the  
28 total number of opt-outs. If the option to rescind is exercised, then any Settlement Administrator Costs

1 shall be paid by Defendants. Defendants have represented that there are no more than 9,373 workweeks  
2 during the Class Period. In the event the number of workweeks during the Class Period is more than  
3 10,778 (*i.e.*, greater than 15% more than 9,373), then the Gross Settlement Amount shall be increased  
4 proportionally by the workweeks in excess of 9,373, multiplied by the pay period value. For example,  
5 if there were 11,900 workweeks represented to exist during the Class Period, but there are actually 15,000  
6 workweeks in the Class Period, and the actual workweek value is \$5.00 per workweek, Defendants would  
7 have to increase the Gross Settlement Amount by \$15,500.00 (15,000 workweeks – 11,900 workweeks  
8 = 3,100 workweeks x \$5.00/workweek). Alternatively, Defendants may elect to shorten the Class Period  
9 and PAGA Claim Period such that the number of workweeks does not exceed 10,778 in order to avoid the  
10 escalator payment being triggered.

11 10.2 Circular 230 Disclaimer: EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF  
12 THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT  
13 OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND  
14 AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN  
15 COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR  
16 ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH  
17 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON  
18 AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT  
19 CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS  
20 RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX  
21 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS  
22 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE  
23 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY  
24 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR  
25 DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX  
26 PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO  
27 ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT  
28 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX

1 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON  
2 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX  
3 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY  
4 THIS AGREEMENT.

5 10.3 No Prior Assignments: The Parties represent, covenant, and warrant that they have not  
6 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to  
7 any person or entity any portion of any liability, claim, demand, action, cause of action or right released  
8 and discharged in this Agreement.

9 10.4 Waiver of Appeal and Ability to Opt Out: To the extent permitted by applicable law, by  
10 signing this Agreement Defendants are waiving any rights to appeal from the Court's approval of the  
11 settlement unless the Court materially modifies the settlement. Furthermore, by signing this Agreement  
12 Plaintiff is waiving any right or ability to opt out of this Agreement during the Notice Period or otherwise.

13 10.5 Exhibits Incorporated by Reference: The terms of this Agreement include the terms set  
14 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth in this  
15 Agreement. Any Exhibits to this Agreement are an integral part of the Settlement.

16 10.6 Judgment and Retention of Jurisdiction to Enforce: Upon the Effective Date, judgment will  
17 be entered according to this Agreement. The Parties stipulate and agree that the San Joaquin County  
18 Superior Court shall have continuing jurisdiction to enforce the terms of the Agreement pursuant to Civil  
19 Procedure Code section 664.6 and that the prevailing party any action necessary to enforce the terms of the  
20 Agreement after default by the other party may recover reasonable attorney's fees and costs related thereto.

21 10.7 Mutual Cooperation: The Parties agree to cooperate fully with one another to accomplish  
22 and implement the terms of this Agreement. Such cooperation shall include, but not be limited to, execution  
23 of such other documents and the taking of such other action as may reasonably be necessary to fulfill the  
24 terms of this Agreement. The Parties to this Agreement shall use their best efforts, including all efforts  
25 contemplated by this Agreement and any other efforts that may become necessary by Court order, or  
26 otherwise, to effectuate this Agreement and the terms set forth herein.

27 10.8 No Admission of Liability: Neither the acceptance nor the performance by Defendants of  
28 the terms of this Agreement, nor any of the related negotiations or proceedings, is or shall be claimed to

1 be, construed as, or deemed to be, an admission by Defendants of the truth of any of the allegations in the  
2 Complaint. the representative character of the Action, the validity of any of the claims that were or could  
3 have been asserted by Plaintiff and/or Class Members in the Action, or of any liability or guilt of  
4 Defendants in the Action. Nothing in this Agreement shall be construed to be or deemed an admission by  
5 Defendants of any liability, culpability, negligence, or wrongdoing toward Plaintiff, the Class Members,  
6 or any other person, and Defendants specifically disclaim any liability, culpability, negligence, or  
7 wrongdoing toward Plaintiff, the Class Members, or any other person. Each of the Parties has entered into  
8 this Stipulation with the intention to avoid further disputes and litigation.

9 10.9 Notices: Unless otherwise specifically provided herein, all notices, demands, or other  
10 communications given hereunder shall be in writing and shall be deemed to have been duly given as of the  
11 third business day after mailing by United States certified mail, return receipt requested, addressed as  
12 follows:

13 To Plaintiff and the Class:

14 Galen T. Shimoda, Justin P. Rodriguez and Renald Konini  
15 Shimoda & Rodriguez Law, PC  
16 9401 East Stockton Blvd., Suite 120  
17 Elk Grove, CA 95624

18 To Defendants:

19 Jamie M. Bossuat  
20 Kelsea A. Carbajal  
21 Kroloff, Belcher, Smart,  
22 Perry & Christopherson  
23 7540 Shoreline Drive  
24 Stockton, California, 95219  
25 Phone: 209-478-2000  
26 Facsimile: 209-478-0354

27 10.10 Mutual Drafting of Agreement: The Parties hereto agree that the terms and conditions of  
28 this Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that  
this Agreement shall not be construed in favor of or against any party by reason of the extent to which any  
party or its counsel participated in the drafting of this Agreement.

10.11 Attorneys' Fees and Costs Limitations: Neither Class Counsel nor any other attorneys  
acting for, or purporting to act for, the Class, Class Members, or Plaintiff, may recover or seek to recover

1 any amounts for fees, costs, or disbursements from the Releasees or the Gross Settlement Amount except  
2 as expressly provided in this Agreement.

3 10.12 No Modifications: This Agreement may be amended or modified only by a written  
4 instrument signed by counsel for all Parties or their successors-in-interest. This Agreement may not be  
5 discharged except by performance in accordance with its terms.

6 10.13 Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant and  
7 represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and  
8 to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement  
9 to effectuate its terms and to execute any other documents required to effectuate the terms of this  
10 Agreement.

11 10.14 Class Member Signatories: Because the Action has not yet been certified, and the Class  
12 Members are so numerous, the Parties agree that it is impossible or impractical to have each Class Member  
13 sign this Agreement. It is agreed that, for purposes of seeking approval of the Agreement, this Agreement  
14 may be executed on behalf of all Class Members by the Class Representative.

15 10.15 Counterparts: This Agreement shall become effective upon its execution by all of the  
16 undersigned. Plaintiff, Class Counsel, Defendants and Defendants' Counsel may execute this Agreement  
17 in counterparts, and execution of counterparts shall have the same force and effect as if each had signed  
18 the same instrument. Facsimile, electronic, and/or scanned copies of signatures shall have the same force  
19 and effect of originals.

20 10.16 Choice of Law: The Agreement and any exhibits hereto shall be considered to have been  
21 negotiated, executed, and delivered, and to have been wholly performed, in the State of California, and the  
22 rights and obligations of the Parties to the Agreement shall be construed and enforced in accordance with,  
23 and governed by, the substantive laws of the State of California without giving effect to that State's choice  
24 of law principles.

25 10.17 Headings and Captions: Section titles or captions contained in the Agreement are inserted  
26 as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of  
27 this Agreement, or any provision thereof.

1           10.18 No Retaliation or Discouragement: The Parties agree they will take no action that could be  
2 construed as retaliation against any Class Members for participating or seeking to participate in this class  
3 action settlement. The Parties will not discourage any class member from participating or seeking to  
4 participate in this class action settlement. This is a material term of the Agreement and non-breaching  
5 Parties will seek court intervention if this provision is breached.

6           10.19 Integrated Agreement: This Agreement sets forth the entire understanding between the  
7 Parties and supersedes any and all prior agreements, oral or written, pertaining to the subject matter hereof.  
8 Each party acknowledges that there is no representation, inducement, promise or agreement which has been  
9 made, orally or otherwise, by the other party, concerning the terms or conditions of this Agreement, which  
10 is not expressly embodied in this Agreement. In entering into this Agreement, the Parties represent that the  
11 terms of this Agreement are fully understood and voluntarily accepted by the Parties.

12           10.20 Binding on Successors and Assigns: This Agreement will be binding upon, and inure to the  
13 benefit of, the successors or assigns of the Parties to this Agreement, as previously defined.

14           10.21 Invalidity of Any Provision: Before declaring any provision of this Agreement invalid, the  
15 Court will first attempt to construe the provision as valid to the fullest extent possible consistent with  
16 applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

17           10.22 Waiver of Compliance: No waiver of any condition or covenant contained in this  
18 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply  
19 or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

20           IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized  
21 attorneys, as of the day and year herein set forth.

22           **For Plaintiff:**

23           Date: 12/19/2023

24           \_\_\_\_\_  
25           Tara Trotter

DocuSigned by:  
Tara Trotter  
EB0CF7A7C72E4E5...

26           **FOR Defendants:**

27           Date: \_\_\_\_\_

28           By: \_\_\_\_\_

For SEC Transportation, Inc.

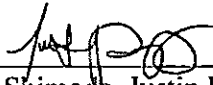
Date: \_\_\_\_\_

By: \_\_\_\_\_  
For Stockton Educational Center, Inc.

APPROVED AS TO FORM

**Shimoda & Rodriguez Law, PC**

Dated: 12/19/2023

By:   
Galen T. Shimoda, Justin P. Rodriguez and  
Renald Konini  
Attorney for Plaintiff and Aggrieved  
Employees

APPROVED AS TO FORM

**KROLOFF, BELCHER, SMART, PERRY &  
CHRISTOPHERSON**

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Jamie M. Bossuat  
Kelsea A. Carbajal  
Attorney for Defendants

1 **FOR Defendants:**

2 Date: 1/19/2024

By: Harry Brown Jr.  
For SEC Transportation, Inc.

5 Date: 1/19/2024

By: Harry Brown Jr.  
For Stockton Educational Center, Inc.

9 APPROVED AS TO FORM

**Shimoda & Rodriguez Law, PC**

11 Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Galen T. Shimoda, Justin P. Rodriguez and  
Renald Konini  
Attorney for Plaintiff and Aggrieved  
Employees

15 APPROVED AS TO FORM

**KROLOFF, BELCHER, SMART, PERRY &  
CHRISTOPHERSON**

17 Dated: 1/19/24

By: Jamie M. Bossuat  
Jamie M. Bossuat  
Kelsea A. Carbajal  
Attorney for Defendants