



1           5.       On August 29, 2023, Former Plaintiff and Plaintiff Diaz filed a First Amended Class  
2 Action Complaint for Damages and Enforcement Action Under the Private Attorneys General Act,  
3 California Labor Code §§ 2698, Et Seq., which added Plaintiff Diaz as a named plaintiff in the Action.

4           6.       On November 8, 2023, the Court entered an Order, which dismissed Former Plaintiff’s  
5 individual class and representative claims under the Private Attorneys General Act of 2004 (“PAGA”)  
6 without prejudice.

7           7.       On May 28, 2024, Plaintiffs and Defendant (together, the “Parties”) participated in  
8 mediation with Jonathan D. Andrews (the “Mediator”), a respected mediator of complex wage and  
9 hour actions, which did not result in a settlement at that time.

10          8.       On April 11, 2025, after further negotiations and with the assistance of the Mediator,  
11 the Parties reached the settlement that is memorialized herein.

12          9.       The Parties agree that Plaintiffs will file a Second Amended Class Action Complaint  
13 for Damages and Enforcement Action Under the Private Attorneys General Act, California Labor  
14 Code §§ 2698, Et Seq. (“Operative Complaint”), which will add Plaintiff Castro as a named plaintiff.

15          10.       The Operative Complaint alleges nine (9) causes of action for violations of the  
16 California Labor Code for failure to pay minimum wages, failure to pay overtime wages, failure to  
17 provide compliant meal periods and premium payments in lieu thereof, failure to provide compliant  
18 rest periods and premium payments in lieu thereof, failure to timely pay wages upon termination,  
19 failure to issue accurate wage statements, and failure to reimburse necessary business expenses, for  
20 violations of California Business & Professions Code Section 17200, *et seq.* based on the  
21 aforementioned California Labor Code violations, and for civil penalties under PAGA based on the  
22 aforementioned California Labor Code violations.

23          11.       Defendant denies all material allegations set forth in the Action and has asserted  
24 numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation,  
25 Defendant desires to fully and finally settle the Action, Released Class Claims (as defined herein), and  
26 Released PAGA Claims (as defined herein).

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1 c. "Attorneys' Fees and Costs" means attorneys' fees approved by the Court for  
2 Class Counsel's litigation and resolution of the Action and all actual costs and expenses incurred and  
3 to be incurred by Class Counsel in connection with the Action, as set forth in Paragraph 18.

4 d. "Class" or "Class Member(s)" collectively refers to the Non-Arbitration Class  
5 Members and the Arbitration Class Members:

6 a. "Non-Arbitration Class Member(s)" means all individuals who worked for  
7 Defendant in California at any time during the Class Period who were classified as  
8 non-exempt and who did not sign an arbitration agreement.

9 b. "Arbitration Class Member(s)" means all individuals who worked for Defendant  
10 in California at any time during the PAGA Period who were classified as non-  
11 exempt and who signed an arbitration agreement.

12 e. "Class Counsel" means Jonathan M. Genish, Miriam L. Schimmel, Joana Fang,  
13 Alexandra Rose, and Jasmine Y. Kianfard of Blackstone Law, APC, who will seek to be appointed  
14 counsel for the Class.

15 f. "Class List" means a complete list of all Class Members that Defendant will  
16 diligently and in good faith compile from its records and provide to the Settlement Administrator. The  
17 Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the following  
18 information for each Class Member and Aggrieved Employee: (1) full name; (2) last known mailing  
19 address; (3) Social Security number; (4) number of Non-Arbitration Workweeks; (5) number of  
20 Arbitration Workweeks; (6) and number of PAGA Pay Periods.

21 g. "Class Notice" means the Notice of Class Action Settlement, substantially in  
22 the form attached hereto as "**Exhibit A**."

23 h. "Class Period" means the period from September 14, 2017 through August 2,  
24 2025.

25 i. "Class Settlement" means the settlement and resolution of all Released Class  
26 Claims.

27 j. "Court" means the Superior Court of the State of California for the County of  
28 Los Angeles.

1 k. "Defendant's Counsel" means Kenneth D. Sulzer of Constangy, Brooks, Smith  
2 & Prophete, LLP.

3 l. "Dispute" means a letter submitted by a Class Member and/or Aggrieved  
4 Employee disputing the number of Workweeks and/or PAGA Pay Periods which have been credited  
5 to them, which must: (a) contain the case name and number of the Action; (b) contain the Class  
6 Member's and/or Aggrieved Employee's full name, signature, address, telephone number, and the last  
7 four (4) digits of the Class Member's and/or Aggrieved Employee's Social Security number; (c)  
8 clearly state that the Class Member and/or Aggrieved Employee disputes the number of Workweeks  
9 and/or PAGA Pay Periods credited to the Class Member and/or Aggrieved Employee and what the  
10 Class Member and/or Aggrieved Employee contends is the correct number; and (d) be returned by  
11 mail to the Settlement Administrator at the specified address, postmarked on or before the Response  
12 Deadline.

13 m. "Effective Date" means the following: (i) sixty-five (65) calendar days after the  
14 Court enters the Final Approval Order and Judgment; or (ii) if any appeal, writ, or other appellate  
15 proceeding opposing the Final Approval Order and Judgment has been filed, five (5) business days  
16 after any appeal, writ, or other appellate proceedings opposing the Settlement have been finally and  
17 conclusively dismissed with no right to pursue further judicial remedies or relief.

18 n. "Employer Taxes" means the employer's share of taxes and contributions in  
19 connection with the wages portion of Individual Settlement Shares, which shall be paid by Defendant  
20 in addition to the Gross Settlement Amount.

21 o. "Enhancement Payment(s)" means the amounts to be paid to Plaintiffs, in  
22 recognition of their effort and work in prosecuting the Action on behalf of Class Members and  
23 Aggrieved Employees, and general release of claims, as set forth in Paragraph 19.

24 p. "Final Approval" means the determination by the Court that the Settlement is  
25 fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

26 q. "Final Approval Hearing" means the hearing at which the Court will consider  
27 and determine whether the Settlement should be granted Final Approval.

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1           r.       “Final Approval Order and Judgment” means the order granting final approval  
2 of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the  
3 Parties, and subject to approval by the Court.

4           s.       “Gross Settlement Amount” means the amount of Five Hundred Thousand  
5 Dollars and Zero Cents (\$500,000.00) to be paid by Defendant in full satisfaction of the Action,  
6 Released Class Claims, and Released PAGA Claims, which includes all Attorneys’ Fees and Costs,  
7 Enhancement Payments, PAGA Amount, Settlement Administration Costs, and Net Settlement  
8 Amount to be paid to the Settlement Class Members. Defendant shall pay the Employer Taxes  
9 separately and in addition to the Gross Settlement Amount. The Gross Settlement Amount is non-  
10 reversionary; no portion of the Gross Settlement Payment will return to Defendant.

11           t.       “Individual PAGA Payment” means the *pro rata* share of the Aggrieved  
12 Employee Amount that an Aggrieved Employee may be eligible to receive under the PAGA  
13 Settlement, to be calculated in accordance with Paragraph 24.

14           u.       “Individual Settlement Payment” means the net payment of each Settlement  
15 Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and  
16 withholdings with respect to the wages portion of the Individual Settlement Share, as provided in  
17 Paragraph 25.

18           v.       “Individual Settlement Share” means the *pro rata* share of the Net Settlement  
19 Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated  
20 in accordance with Paragraph 23.

21           w.       “LWDA Payment” means the amount of Seven Thousand Five Hundred Dollars  
22 and Zero Cents (\$7,500.00), i.e., 75% of the PAGA Amount, that the Parties have agreed to pay to the  
23 LWDA under the PAGA Settlement, as set forth in Paragraph 20.

24           x.       “Net Settlement Amount” means the portion of the Gross Settlement Amount  
25 that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount  
26 less the Court-approved Attorneys’ Fees and Costs, Enhancement Payments, PAGA Amount, and  
27 Settlement Administration Costs.

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1           y.       “Notice of Objection” means a Settlement Class Member’s written objection to  
2 the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the  
3 objector’s full name, signature, address, telephone number, and the last four (4) digits of the objector’s  
4 Social Security number; (c) contain a written statement of all grounds for the objection accompanied  
5 by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents  
6 upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the  
7 specified address, postmarked on or before the Response Deadline.

8           z.       “PAGA Amount” means the allocation of Ten Thousand Dollars and Zero  
9 Cents (\$10,000.00) from the Gross Settlement Amount for the PAGA Settlement. Seventy-five  
10 percent (75%) of the PAGA Amount, or \$7,500.00, will be paid to the LWDA (i.e., the LWDA  
11 Payment) and the remaining twenty-five percent (25%), or \$2,500.00, will be distributed to the  
12 Aggrieved Employees (i.e., the Aggrieved Employee Amount).

13           aa.      “PAGA Period” means the period from July 17, 2022 through August 2, 2025.

14           bb.      “PAGA Settlement” means the settlement and resolution of all Released PAGA  
15 Claims.

16           cc.      “PAGA Pay Period(s)” means a bi-weekly pay period during which an  
17 Aggrieved Employee performed work during the PAGA Period. Pay periods in which an Aggrieved  
18 Employee was employed but performed no work (i.e., was on sick leave, vacation, or other leave of  
19 absence) do not count as PAGA Pay Periods.

20           dd.      “Preliminary Approval” means the date on which the Court enters the  
21 Preliminary Approval Order.

22           ee.      “Preliminary Approval Order” means the order granting preliminary approval  
23 of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by  
24 the Court.

25           ff.      “Released Class Claims” means any and all causes of action, claims, rights,  
26 statutory damages, penalties, liabilities, expenses, and losses against the Released Parties, arising out  
27 of the claims pled in the Operative Complaint (i.e., California Labor Code §§ 201, 202, 203, 204, 226,  
28 226.7, 510, 512, 1174, 1194, 1197, 1197.1, 1198, 2800, and 2802, and Business & Professions Code

1 §§ 17200, *et seq.* based on alleged violations of these California Labor Code provisions) and all other  
2 potential claims reasonably related to or arising out of the same set of facts pled in the Operative  
3 Complaint, such as those under the California Labor Code, Wage Orders, regulations, and/or other  
4 provisions of law. The Released Class Claims do not include claims for unemployment, workers  
5 compensation, wrongful termination, disability, race, gender or other discrimination, social security,  
6 vested benefits, or claims based on facts outside of the Class Period.

7 gg. “Released PAGA Claims” means any and all claims for civil penalties under  
8 PAGA arising during the PAGA Period based on the California Labor Code violations alleged in the  
9 PAGA Letter, as well as all facts, theories, or claims for civil penalties that would be considered  
10 administratively exhausted under applicable law by the PAGA Letter, as well as any claims brought  
11 under the PAGA in the Operative Complaint. The Released PAGA Claims do not include claims for  
12 unemployment, workers compensation, wrongful termination, disability, race, gender or other  
13 discrimination, social security, vested benefits, or claims based on facts outside of the PAGA Period.

14 hh. “Released Parties” means Defendant and all of its parent companies,  
15 subsidiaries, divisions, related or affiliated companies, clients, and its or their shareholders, officers,  
16 directors, employees, agents, principals, representatives, attorneys, accountants, partners, investors,  
17 owners, administrators, insurers, predecessors, successors and assigns, and any individual or entity  
18 that could be liable for any of the Released Class Claims and Released PAGA Claims.

19 ii. “Request for Exclusion” means a letter submitted by a Class Member indicating  
20 a request to be excluded from the Class Settlement, which must: (a) contain the case name and number  
21 of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and  
22 last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class  
23 Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the  
24 Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

25 jj. “Response Deadline” means the deadline by which Class Members must submit  
26 a Request for Exclusion, Notice of Objection, and/or Dispute, which shall be the date that is forty-five  
27 (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator to  
28 Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which case the Response

1 Deadline will be extended to the next day on which the United States Postal service is open. The  
2 Response Deadline may also be extended by express agreement between Class Counsel and  
3 Defendant’s Counsel. In the event that a Class Notice is re-mailed to a Class Member, the Response  
4 Deadline for that Class Member shall be extended fifteen (15) calendar days from the original  
5 Response Deadline.

6 kk. “Settlement Administrator” means ILYM Group, Inc., or any other third-party  
7 class action settlement administrator agreed to by the Parties and approved by the Court for purposes  
8 of administering the Settlement. The Parties and their counsel each represent that they do not have  
9 any financial interest in the Settlement Administrator or otherwise have a relationship with the  
10 Settlement Administrator that could create a conflict of interest.

11 ll. “Settlement Administration Costs” means the costs payable from the Gross  
12 Settlement Amount to the Settlement Administrator for administering the Settlement, as set forth in  
13 Paragraph 21.

14 mm. “Settlement Class” or “Settlement Class Member(s)” collectively refers to the  
15 Non-Arbitration Settlement Class Members and the Arbitration Settlement Class Members as follows:

16 a. “Non-Arbitration Settlement Class Members” are all Non-Arbitration Class  
17 Members who do not submit a timely and valid Request for Exclusion.

18 b. “Arbitration Settlement Class Members” are all Arbitration Class Members who do  
19 not submit a timely and valid Request for Exclusion.

20 nn. “Workweek(s)” collectively refers to the Non-Arbitration Workweeks and the  
21 Arbitration Workweeks as follows:

22 a. “Non-Arbitration Workweek(s)” means a week in which a Non-Arbitration Class  
23 Member performed work during the Class Period. Weeks in which a Non-  
24 Arbitration Class Member was employed but performed no work (i.e., was on sick  
25 leave, vacation, or other leave of absence) do not count as Non-Arbitration  
26 Workweeks. For purposes of settlement allocation, a Non-Arbitration Workweek  
27 counts as one (1).

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1 Settlement Amount. These amounts will cover any and all work performed and any and all costs  
2 incurred by Class Counsel in connection with the litigation of the Action, including without limitation  
3 all work performed and costs incurred to date, and all work to be performed and all costs to be incurred  
4 in connection with obtaining the Court's approval of this Settlement Agreement, including any  
5 objections raised and any appeals necessitated by those objections. Class Counsel shall be solely and  
6 legally responsible for correctly characterizing this compensation for tax purposes and for paying any  
7 taxes on the amounts received. The Settlement Administrator shall issue an IRS Form 1099 to Class  
8 Counsel for the Attorneys' Fees and Costs. Any portion of the requested Attorneys' Fees and Costs  
9 that is not awarded by the Court to Class Counsel shall be reallocated to the Net Settlement Amount  
10 for the benefit of the Settlement Class Members.

11 19. Enhancement Payments. Defendant agrees not to oppose or impede any application or  
12 motion by Plaintiffs for Enhancement Payments in the amounts of up to Five Thousand Dollars and  
13 Zero Cents (\$5,000.00) to Plaintiff Diaz and up to Two Thousand Five Hundred Dollars and Zero  
14 Cents (\$2,500.00) to Plaintiff Castro. The Enhancement Payments, which will be paid from the Gross  
15 Settlement Amount, subject to Court approval, will be in addition to any other payments that they are  
16 entitled to under the Settlement. Plaintiffs shall be solely and legally responsible for correctly  
17 characterizing this compensation for tax purposes and for paying any taxes on the amounts received.  
18 The Settlement Administrator shall issue an IRS Form 1099 to Plaintiffs for the Enhancement  
19 Payments. Any portion of the requested Enhancement Payments that is not awarded by the Court to  
20 Plaintiffs shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class  
21 Members.

22 20. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of  
23 Ten Thousand Dollars and Zero Cents (\$10,000.00) shall be allocated from the Gross Settlement  
24 Amount toward penalties under the Private Attorneys General Act, California Labor Code Section  
25 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$7,500.00, will be  
26 paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%), or \$2,500.00, will be  
27 distributed to Aggrieved Employees (i.e., the Aggrieved Employee Amount) on a *pro rata* basis, based  
28 on the total number of PAGA Pay Periods worked by each Aggrieved Employee during the PAGA

1 Period (i.e., the Individual PAGA Payments).

2 21. Settlement Administration Costs. The Settlement Administrator will be paid for the  
3 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,  
4 which is currently estimated not to exceed Ten Thousand Dollars and Zero Cents (\$10,000.00). These  
5 costs, which will be paid from the Gross Settlement Amount, subject to Court approval, will include,  
6 *inter alia*, translating the Class Notice to Spanish, printing, distributing, and tracking Class Notices  
7 and other documents for the Settlement, calculating and distributing payments due under the  
8 Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings,  
9 and remittances, providing necessary reports and declarations, and other duties and responsibilities set  
10 forth herein to process the Settlement, and as requested by the Parties. To the extent the actual  
11 Settlement Administrator's costs are greater than the estimated amount stated herein, such excess  
12 amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any  
13 portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not  
14 in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement  
15 administration duties shall be reallocated to the Net Settlement Amount for the benefit of the  
16 Settlement Class Members.

17 22. Escalator Clause. If it is determined that the WWPP Maximum has been exceeded  
18 during the Class Period (i.e., if the Workweeks exceed 25,000), then the Class Period and PAGA  
19 Period shall end on the date that the WWPP Maximum is reached but not exceeded.

20 23. Individual Settlement Share Calculations. Individual Settlement Shares will be  
21 calculated and apportioned from the Net Settlement Amount based on the Class Members' number of  
22 Workweeks, as follows:

23 a. Preliminary Approval.

24 i. Non-Arbitration Class Members. After Preliminary Approval, the  
25 Settlement Administrator will divide the Net Settlement Amount by the  
26 Non-Arbitration Workweeks of all Non-Arbitration Class Members to  
27 yield the "Estimated Non-Arbitration Workweek Value," and multiply  
28 each Non-Arbitration Class Member's individual Non-Arbitration

1 Workweeks by the Estimated Non-Arbitration Workweek Value to yield  
2 each Non-Arbitration Class Member’s estimated Individual Settlement  
3 Share that the Non-Arbitration Class Member may be entitled to receive  
4 under the Class Settlement. Each Non-Arbitration Workweek counts as  
5 one (1).

6 ii. Arbitration Class Members. After Preliminary Approval, the Settlement  
7 Administrator will divide the Net Settlement Amount by the Arbitration  
8 Workweeks of all Arbitration Class Members to yield the “Estimated  
9 Arbitration Workweek Value,” and multiply each Arbitration Class  
10 Member’s individual Arbitration Workweeks by the Estimated  
11 Arbitration Workweek Value to yield each Arbitration Class Member’s  
12 estimated Individual Settlement Share that the Arbitration Class Member  
13 may be entitled to receive under the Class Settlement. Each Arbitration  
14 Workweek counts as 0.5.

15 b. Final Approval.

16 i. Non-Arbitration Settlement Class Members. After Final Approval, the  
17 Settlement Administrator will divide the final Net Settlement Amount by  
18 the Non-Arbitration Workweeks of all Non-Arbitration Settlement Class  
19 Members to yield the “Final Non-Arbitration Workweek Value,” and  
20 multiply each Non-Arbitration Settlement Class Member’s individual  
21 Non-Arbitration Workweeks by the Final Non-Arbitration Workweek  
22 Value to yield each Non-Arbitration Settlement Class Member’s final  
23 Individual Settlement Share. Each Non-Arbitration Workweek counts as  
24 one (1).

25 ii. Arbitration Settlement Class Members. After Final Approval, the  
26 Settlement Administrator will divide the final Net Settlement Amount by  
27 the Arbitration Workweeks of all Arbitration Settlement Class Members  
28 to yield the “Final Arbitration Workweek Value,” and multiply each

1 Arbitration Settlement Class Member's individual Arbitration  
2 Workweeks by the Final Arbitration Workweek Value to yield each  
3 Arbitration Settlement Class Member's final Individual Settlement  
4 Share. Each Arbitration Workweek counts as 0.5.

5 24. Individual PAGA Payment Calculations. Individual PAGA Payments will be  
6 calculated and apportioned from the Aggrieved Employee Amount based on the Aggrieved  
7 Employees' number of PAGA Pay Periods, as follows: The Settlement Administrator will divide the  
8 Aggrieved Employee Amount, i.e., 25% of the PAGA Amount, by the PAGA Pay Periods of all  
9 Aggrieved Employees to yield the "PAGA Pay Period Value," and multiply each Aggrieved  
10 Employee's individual PAGA Pay Periods by the PAGA Pay Period Value to yield each Aggrieved  
11 Employee's Individual PAGA Payment.

12 25. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each  
13 Individual Settlement Share will be allocated as follows: twenty percent (20%) wages and eighty  
14 percent (80%) penalties, interest, and non-wage damages. The portion allocated to wages will be  
15 reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages  
16 will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement  
17 Administrator will withhold the employee's share of taxes and withholdings with respect to the wages  
18 portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their  
19 Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes  
20 and withholdings). The Employer Taxes will be paid separately and in addition to the Gross  
21 Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%)  
22 penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

23 26. Administration of Taxes by the Settlement Administrator. The Settlement  
24 Administrator will be responsible for issuing to Plaintiffs, Settlement Class Members, Aggrieved  
25 Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be  
26 required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement  
27 Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll  
28 taxes and other legally required withholdings to the appropriate government authorities.

1           27.    Tax Liability. Plaintiffs, Class Counsel, Defendant, and Defendant’s Counsel do not  
2 intend anything contained in this Settlement Agreement to constitute advice regarding taxes or  
3 taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiffs, Settlement  
4 Class Members, and Aggrieved Employees are not relying on any statement, representation, or  
5 calculation by Defendant, the Settlement Administrator, or Class Counsel in this regard. Plaintiffs,  
6 Settlement Class Members, and Aggrieved Employees understand and agree that Plaintiffs, Settlement  
7 Class Members, and Aggrieved Employees will be solely responsible for the payment of any taxes  
8 and penalties assessed on the payments described in this Settlement Agreement. Plaintiffs, Settlement  
9 Class Members, and Aggrieved Employees should consult with their tax advisors concerning the tax  
10 consequences of any payment they receive under the Settlement.

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

1 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISOR’S  
2 TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY  
3 BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX  
4 TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY  
5 TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

6 29. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the  
7 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually  
8 are issued to the payee. It is expressly understood and agreed that payments made under this  
9 Settlement shall not in any way entitle Plaintiffs, Settlement Class Members, or any Aggrieved  
10 Employee to additional compensation or benefits under any new or additional compensation or  
11 benefits, or any bonus, contest, or other compensation or benefit plan or agreement in place during the  
12 Class Period, nor will it entitle Plaintiffs, Settlement Class Members, or any Aggrieved Employee to  
13 any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits  
14 (notwithstanding any contrary language or agreement in any benefit or compensation plan document  
15 that might have been in effect during the Class Period).

16 30. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.  
17 Plaintiffs will obtain a hearing date from the Court for Plaintiffs’ motion for preliminary approval of  
18 the Settlement, which Class Counsel will be responsible for drafting, and submit this Settlement  
19 Agreement to the Court in support of said motion. Class Counsel will provide Defendant’s Counsel a  
20 draft of the preliminary approval motion before filing it with the Court. Defendant’s Counsel will  
21 provide Class Counsel a declaration from Defendant regarding its financial situation, including  
22 appropriate financial documents to file concurrently with the preliminary approval motion pursuant to  
23 the requirement of the Los Angeles Superior Court, Complex Civil Department Checklist for  
24 Preliminary Approval of Class Action Settlement. Defendant agrees not to oppose the motion for  
25 preliminary approval of the Settlement consistent with this Settlement Agreement. By way of said  
26 motion, Plaintiffs will apply for the entry of the Preliminary Approval Order seeking the following:

- 27 a. Conditionally certifying the Class for settlement purposes only;
- 28 b. Granting Preliminary Approval of the Settlement;

- 1           c.     Preliminarily appointing Plaintiffs as the representatives of the Class;
- 2           d.     Preliminarily appointing Class Counsel as counsel for the Class;
- 3           e.     Approving as to form and content, the mutually-agreed upon and proposed
- 4 Class Notice and directing its mailing by First Class U.S. Mail;
- 5           f.     Approving the manner and method for Class Members to request exclusion
- 6 from or object to the Class Settlement as contained herein and within the Class Notice; and
- 7           g.     Scheduling a Final Approval Hearing at which the Court will determine whether
- 8 Final Approval of the Settlement should be granted.

9           31.    Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(1)(2),

10 Class Counsel shall notify the LWDA of the Settlement.

11           32.    Delivery of Class List. Within fourteen (14) calendar days of Preliminary Approval,

12 Defendant will provide the Class List to the Settlement Administrator.

13           33.    Notice by First-Class U.S. Mail.

14           a.     Within seven (7) calendar days after receiving the Class List from Defendant,

15 the Settlement Administrator will perform a search based on the National Change of Address Database

16 or any other similar services available, such as provided by Experian, for information to update and

17 correct for any known or identifiable address changes, and will mail a Class Notice in English and

18 Spanish (in the form attached as **Exhibit A** to this Settlement Agreement) to all Class Members and

19 Aggrieved Employees via First-Class U.S. Mail, using the most current, known mailing addresses

20 identified by the Settlement Administrator.

21           b.     Any Class Notice returned to the Settlement Administrator as undeliverable on

22 or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding

23 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on

24 the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly

25 attempt to determine the correct address using a skip-trace or other search, using the name, address,

26 and/or Social Security number of the Class Member and/or Aggrieved Employee, and perform a single

27 re-mailing within five (5) calendar days.

28 ///

1 c. Compliance with the procedures described herein above shall constitute due and  
2 sufficient notice to Class Members of the Settlement and shall satisfy the requirements of due process.  
3 Nothing else shall be required of or done by the Parties, Class Counsel, or Defendant's Counsel to  
4 provide notice of the Settlement.

5 34. Disputes Regarding Workweeks and/or PAGA Pay Periods. Class Members and  
6 Aggrieved Employees will have an opportunity to dispute the number of Workweeks and/or PAGA  
7 Pay Periods which have been credited to them, as reflected in their respective Class Notices, by  
8 submitting a timely and valid Dispute to the Settlement Administrator, by mail, postmarked on or  
9 before the Response Deadline. The date of the postmark on the return mailing envelope will be the  
10 exclusive means to determine whether a Dispute has been timely submitted. Absent evidence  
11 rebutting the accuracy of Defendant's records and data as they pertain to the number of Workweeks  
12 and/or PAGA Pay Periods to be credited to a disputing Class Member and/or Aggrieved Employee,  
13 Defendant's records will be presumed to be correct and determinative of the dispute. However, if a  
14 Class Member and/or Aggrieved Employee produces information and/or documents to the contrary,  
15 the Settlement Administrator will evaluate the materials submitted by the Class Member and/or  
16 Aggrieved Employee and the Settlement Administrator will resolve and determine the number of  
17 eligible Workweeks and/or PAGA Pay Periods that the disputing Class Member and/or Aggrieved  
18 Employee should be credited with under the Settlement. The Settlement Administrator's decision on  
19 such disputes will be final and non-appealable.

20 35. Requesting Exclusion from the Class Settlement. Any Class Member wishing to be  
21 excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the  
22 Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the  
23 postmark on the return mailing envelope will be the exclusive means to determine whether a Request  
24 for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class  
25 Counsel and Defendant's Counsel the number of timely and valid Requests for Exclusion that are  
26 submitted, and also identify the individuals who have submitted a timely and valid Request for  
27 Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing.  
28 At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members

1 to request exclusion from the Class Settlement. Any Class Member who submits a Request for  
2 Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who  
3 submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will  
4 not be issued an Individual Settlement Payment. Any Class Member who does not affirmatively  
5 request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion  
6 will be bound by all of the terms of the Class Settlement, including and not limited to those pertaining  
7 to the Released Class Claims, as well as any judgment that may be entered by the Court if it grants  
8 Final Approval to the Settlement. Notwithstanding the above, all Aggrieved Employees will be bound  
9 to the PAGA Settlement and will be issued their Individual PAGA Payment, irrespective of whether  
10 they submit a Request for Exclusion.

11       36.     Objecting to the Class Settlement. To object to the Class Settlement, Settlement Class  
12 Members must submit a timely and complete Notice of Objection to the Settlement Administrator, by  
13 mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing  
14 envelope will be the exclusive means to determine whether a Notice of Objection has been timely  
15 submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's  
16 Counsel the number of Notices of Objection that are submitted (specifying which ones were timely  
17 and complete and which were not), and also attach them to a declaration that is to be filed with the  
18 Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel  
19 seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or  
20 appeal from the Final Approval Order and Judgment. Settlement Class Members, individually or  
21 through counsel, may also present their objection orally at the Final Approval Hearing, regardless of  
22 whether they have submitted a Notice of Objection.

23       37.     Reports by the Settlement Administrator. The Settlement Administrator shall provide  
24 weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed  
25 Class Notices; (ii) the number of Class Members and Aggrieved Employees who have submitted  
26 Disputes; (iii) the number of Class Members who have submitted Requests for Exclusion; and (iv) the  
27 number of Settlement Class Members who have submitted Notices of Objection. Additionally, the  
28 Settlement Administrator will provide to counsel for the Parties any updated reports regarding the

1 administration of the Settlement Agreement as needed or requested, and immediately notify the Parties  
2 when it receives a request from an individual or any other entity regarding inclusion in the Class and/or  
3 Settlement or regarding a Dispute.

4 38. Defendant's Right to Rescind. If more than ten percent (10%) of the Class Members  
5 submit timely and valid Requests for Exclusion, Defendant may elect to rescind the Settlement  
6 Agreement. Defendant must exercise this right of rescission in writing that is provided to Class  
7 Counsel within seven (7) calendar days of the Settlement Administrator notifying the Parties of the  
8 number of Class Members who have submitted timely and valid Requests for Exclusion following the  
9 Response Deadline. If Defendant exercises this option, Defendant shall pay any costs of settlement  
10 administration owed to the Settlement Administrator incurred up to that date.

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

14 40. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After  
15 the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final  
16 Approval of the Settlement should be granted, along with the amounts properly payable for: (a)  
17 Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys'  
18 Fees and Costs; (e) Enhancement Payments; and (f) Settlement Administration Costs. The Final  
19 Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline.  
20 Plaintiffs and Class Counsel will be responsible for drafting the motion seeking Final Approval of the  
21 Settlement. Class Counsel will provide Defendant's Counsel a draft of the final approval motion  
22 before filing it with the Court. By way of said motion, Plaintiffs will apply for the entry of the Final  
23 Approval Order and Judgment, which will provide for, in substantial part, the following:

- 24 a. Approval of the Settlement as fair, reasonable, and adequate, and directing  
25 consummation of its terms and provisions;
- 26 b. Certification of the Settlement Class;
- 27 c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
- 28 d. Approval of the application for Enhancement Payments to Plaintiffs;

1 e. Directing Defendant to fund all amounts due under the Settlement Agreement  
2 and ordered by the Court; and

3 f. Entering judgment in the Action, while maintaining continuing jurisdiction, in  
4 conformity with California Rules of Court 3.769 and the Settlement Agreement.

5 41. Funding of the Gross Settlement Amount. Defendant shall pay the Gross Settlement  
6 Amount in thirteen (13) installments as follows:

7 a. Initial Payment: No later than seven (7) calendar days after Final Approval,  
8 Defendant will deposit Two Hundred Fifty Thousand Dollars and Zero Cents  
9 (\$250,000.00) of the Gross Settlement Amount and the Employer Taxes into a  
10 Qualified Settlement Fund (“QSF”) within the meaning of Treasury Regulation  
11 Section 1.468B-1, *et seq.*, to be established by the Settlement Administrator.  
12 Defendant shall provide all information necessary for the Settlement  
13 Administrator to calculate necessary payroll taxes including its official name,  
14 8-digit state unemployment insurance tax ID number, and other information  
15 requested by the Settlement Administrator, no later than seven (7) calendar days  
16 after Final Approval.

17 b. Installment Payment(s): The remainder of the Gross Settlement Amount shall  
18 be paid in twelve (12) equal payments for twelve (12) months thereafter until  
19 the Gross Settlement Amount has been fully paid. The first of the twelve  
20 Installment Payments shall be paid by the 5th day of the calendar month  
21 following the Initial Payment but not sooner than thirty (30) calendar days after  
22 the Initial Payment or, if appealed, the 5th day of the calendar month following  
23 the date the appeal is finally resolved, but no sooner than thirty (30) calendar  
24 days after the appeal is resolved.

25 c. If an appeal is filed, then the Initial Payment and the Employer Taxes shall be  
26 placed in an interest-bearing account by the Settlement Administrator, and  
27 interest will accrue and be credited toward the next Installment Payment(s).  
28 Defendant will not be responsible for any further Installment Payments until all  
appeals are resolved.

1 d. Any failure by Defendant to timely pay the Initial Payment or any Installment  
2 Payment shall be an event of default. Within three (3) business days of any  
3 default, the Settlement Administrator shall email counsel for both Parties  
4 notifying them of any default (the “Default Notice”). Defendant shall have no  
5 more than ten (10) business days from the date of the Default Notice to cure the  
6 default. Any default that is not cured by the 15th business day from the date of  
7 the Default Notice shall entitle Plaintiffs to move ex parte to have all remaining  
8 unpaid Installment Payment(s) immediately accelerated and judgment entered  
9 against Defendant for the remaining unpaid Installment Payment(s).

10 42. Distribution of the Gross Settlement Amount.

11 a. Within five (5) business days of the funding of the Initial Payment and Effective  
12 Date, the Settlement Administrator will issue half of the Individual Settlement  
13 Payments to Settlement Class Members, half of the Individual PAGA Payments  
14 to Aggrieved Employees, half of the LWDA Payment to the LWDA, half of the  
15 Enhancement Payments to Plaintiffs, half of the Attorneys’ Fees and Costs to  
16 Class Counsel, and half of the Settlement Administration Costs to itself. The  
17 Settlement Administrator shall also set aside the Employer Taxes and all  
18 employee-side payroll taxes, contributions, and withholding, and timely  
19 forward these to the appropriate government authorities.

20 b. Within five (5) business days of the funding of the last Installment Payment,  
21 the Settlement Administrator will issue the remaining half of the Individual  
22 Settlement Payments to Settlement Class Members, remaining half of the  
23 Individual PAGA Payments to Aggrieved Employees, remaining half of the  
24 LWDA Payment to the LWDA, remaining half of the Enhancement Payments  
25 to Plaintiffs, remaining half of the Attorneys’ Fees and Costs to Class Counsel,  
26 and remaining half of the Settlement Administration Costs to itself.

27 43. Settlement Checks. The Settlement Administrator will be responsible for undertaking  
28 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way  
of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the  
Aggrieved Employees in accordance with this Settlement Agreement. When issuing payments, the

1 Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA  
2 Payment into one check if the intended recipient for both payments is one individual. Settlement Class  
3 Members and Aggrieved Employees are not required to submit a claim to be issued an Individual  
4 Settlement Payment and/or Individual PAGA Payment. Each Individual Settlement Payment and  
5 Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180)  
6 calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds  
7 associated with such canceled checks shall be distributed by the Settlement Administrator to the State  
8 of California's Unclaimed Property Division in the name of the Settlement Class Member and/or  
9 Aggrieved Employee. The Parties agree that this disposition results in no "unpaid residue" under  
10 California Civil Procedure Code Section 384, as the entire Net Settlement Amount will be paid out to  
11 Settlement Class Members, whether or not they cash their settlement checks. Therefore, Defendant  
12 will not be required to pay any interest on such amounts. The Settlement Administrator shall undertake  
13 amended and/or supplemental tax filings and reporting required under applicable local, state, and  
14 federal tax laws that are necessitated due to the cancelation of any Individual Settlement Payment  
15 and/or Individual PAGA Payment checks. Settlement Class Members whose Individual Settlement  
16 Payment checks are canceled shall, nevertheless, be bound by the Class Settlement, and Aggrieved  
17 Employees whose Individual PAGA Payment checks are canceled shall, nevertheless, be bound by the  
18 PAGA Settlement.

19 44. Class Settlement Release.

- 20 a. Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs  
21 and all Non-Arbitration Settlement Class Members will be deemed to have fully,  
22 finally, and forever released, settled, compromised, relinquished, and discharged the  
23 Released Parties of all Released Class Claims for the Class Period.
- 24 b. Upon the Effective Date and full funding of the Gross Settlement Amount, all  
25 Arbitration Settlement Class Members will be deemed to have fully, finally, and  
26 forever released, settled, compromised, relinquished, and discharged the Released  
27 Parties of all Released Class Claims for the PAGA Period.

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1           45.    PAGA Settlement Release. Upon the Effective Date and full funding of the Gross  
2 Settlement Amount, Plaintiffs, the State of California with respect to all Aggrieved Employees, and  
3 all Aggrieved Employees will be deemed to have fully, finally, and forever released, settled,  
4 compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

5           46.    Plaintiffs' General Release. Upon the Effective Date and full funding of the Gross  
6 Settlement Amount, Plaintiffs, individually and on their own behalf, will be deemed to have fully,  
7 finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties  
8 from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys'  
9 fees, damages, or causes of action of any kind or nature whatsoever, known or unknown, suspected or  
10 unsuspected, asserted or unasserted, arising out of, relating to, or resulting from their employment  
11 and/or separation of employment with Defendant, which Plaintiffs, at any time up until the execution  
12 of this Settlement Agreement, had or claimed to have or may have. It is agreed that this is a general  
13 release and is to be broadly construed as a release of all claims, provided that, notwithstanding the  
14 foregoing, this Paragraph expressly does not include a release of any claims that cannot be released  
15 hereunder by law. Any and all rights granted under any state or federal law or regulation limiting the  
16 effect of this Settlement Agreement, including the provisions of Section 1542 of the California Civil  
17 Code, ARE HEREBY EXPRESSLY WAIVED. Section 1542 of the California Civil Code reads as  
18 follows:

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

24           47.    Final Approval Order and Judgment. The Parties shall provide the Settlement  
25 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,  
26 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for  
27 sixty (60) calendar days. No individualized notice of the Final Approval Order and Judgment to the  
28 Class will be required.

1           48.    Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the  
2 Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and  
3 Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the  
4 interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters,  
5 and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this  
6 Settlement Agreement.

7           49.    Effects of Termination or Rescission of Settlement. Termination or rescission of the  
8 Settlement Agreement shall have the following effects:

9               a.       The Settlement Agreement shall be void and shall have no force or effect, and  
10 no Party shall be bound by any of its terms;

11              b.       In the event the Settlement Agreement is terminated, Defendant shall have no  
12 obligation to make any payments to any Party, Class Member, or attorney, except that the terminating  
13 Party shall pay the Settlement Administrator for services rendered up to the date the Settlement  
14 Administrator is notified that the Settlement has been terminated;

15              c.       The Preliminary Approval Order and Final Approval Order and Judgment,  
16 including any order certifying the Class, shall be vacated;

17              d.       The Settlement Agreement and all negotiations, statements, and proceedings  
18 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be  
19 restored to their respective positions in the Action prior to the execution of the Settlement Agreement;

20              e.       Neither this Settlement Agreement, nor any ancillary documents, actions,  
21 statements, or filings in furtherance of the Settlement (including all matters associated with the  
22 mediation) shall be admissible or offered into evidence in the Action or any other action for any  
23 purpose whatsoever; and

24              f.       Any documents generated to bring the Settlement into effect, will be null and  
25 void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will  
26 likewise be treated as void from the beginning.

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

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

8           52.    Entire Agreement. This Settlement Agreement and any attached exhibits constitute the  
9 entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all  
10 prior or contemporaneous agreements, understandings, representations, and statements, whether oral  
11 or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or  
12 contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties  
13 expressly recognize California Civil Code Section 1625 and California Code of Civil Procedure  
14 Section 1856(a), which provide that a written agreement is to be construed according to its terms and  
15 may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic  
16 oral or written representations or terms will modify, vary, or contradict the terms of this Settlement  
17 Agreement.

18           53.    Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in  
19 the Action (including with respect to California Code of Civil Procedure Section 583.310), except  
20 such proceedings necessary to implement and complete this Settlement Agreement, pending the Final  
21 Approval Hearing to be conducted by the Court.

22           54.    Amendment or Modification. Prior to the filing of the motion for preliminary approval  
23 of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement  
24 except by written agreement signed by counsel for all Parties. After the filing of the motion for  
25 preliminary approval of the Settlement, the Parties may not amend or modify any provision of this  
26 Settlement Agreement except by written agreement signed by counsel for all the Parties and subject  
27 to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not  
28 constitute a waiver of any other provision.

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1           55.    Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and  
2 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement  
3 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant  
4 to this Settlement Agreement to effectuate its terms and to execute any other documents required to  
5 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have  
6 full authority to enter into this Settlement Agreement, and further intend that this Settlement  
7 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible  
8 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation  
9 confidentiality provisions that otherwise might apply under state or federal law.

10           56.    Signatories. It is agreed that because the members of the Class are so numerous, it is  
11 impossible or impractical to have each Settlement Class Member or Aggrieved Employee execute this  
12 Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the  
13 Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement  
14 as to the Aggrieved Employees, and the releases provided for by this Settlement Agreement shall have  
15 the same force and effect as if this Settlement Agreement were executed by each Settlement Class  
16 Member and Aggrieved Employee.

17           57.    Binding on Successors and Assigns. This Settlement Agreement will be binding upon,  
18 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

19           58.    California Law Governs. All terms of this Settlement Agreement and attached exhibits  
20 hereto will be governed by and interpreted according to the laws of the State of California.

21           59.    Execution and Counterparts. This Settlement Agreement is subject only to the  
22 execution of all Parties. However, this Settlement Agreement may be executed in one or more  
23 counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned  
24 copies of the signature page, will be deemed to be one and the same instrument.

25           60.    Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this  
26 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at  
27 this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into  
28 account all relevant factors, present and potential. The Parties further acknowledge that they are each  
represented by competent counsel and that they have had an opportunity to consult with their counsel

1 regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to  
2 obtain approval of the Settlement, the Mediator may execute a declaration supporting the Settlement  
3 and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to  
4 discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

5 61. Invalidity of Any Provision. Before declaring any provision of this Settlement  
6 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent  
7 possible consistent with applicable precedents so as to define all provisions of this Settlement  
8 Agreement valid and enforceable.

9 62. Plaintiffs' Cooperation. Plaintiffs agree to sign this Settlement Agreement and, by  
10 signing this Settlement Agreement, are hereby bound by the terms herein and agree to fully cooperate  
11 to implement the Settlement.

12 63. Non-Admission of Liability. The Parties enter into this Settlement Agreement to  
13 resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of  
14 continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and  
15 specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines  
16 promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements;  
17 breached any contract; violated or breached any duty; engaged in any misrepresentation or deception;  
18 or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement  
19 Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be  
20 construed as an admission or concession by Defendant of any such violations or failures to comply  
21 with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement  
22 Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received  
23 as evidence in any action or proceeding to establish any liability or admission on the part of Defendant  
24 or to establish the existence of any condition constituting a violation of, or a non-compliance with,  
25 federal, state, local, or other applicable law.

26 64. Captions. The captions and paragraph numbers in this Settlement Agreement are  
27 inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or  
28 intent of the provisions of this Settlement Agreement.



Los Angeles, California 90067  
Tel: (310) 909-7775

69. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

**IN WITNESS WHEREOF**, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiffs and Defendant:

**IT IS SO AGREED.**

**PLAINTIFF YRENE DIAZ**



Dated: 10/14/2025

\_\_\_\_\_  
Plaintiff Yrene Diaz

**PLAINTIFF YOLANDA CASTRO**

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

\_\_\_\_\_  
Plaintiff Yolanda Castro

**DEFENDANT MACADI CLEANING CORPORATION**

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

\_\_\_\_\_  
Full Name: \_\_\_\_\_

Title: \_\_\_\_\_  
On behalf of Defendant Macadi Cleaning Corporation

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Los Angeles, California 90067  
Tel: (310) 909-7775

69. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

**IN WITNESS WHEREOF**, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiffs and Defendant:

**IT IS SO AGREED.**

**PLAINTIFF YRENE DIAZ**

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

\_\_\_\_\_  
Plaintiff Yrene Diaz

**PLAINTIFF YOLANDA CASTRO**

Dated: 21/10/2025

  
\_\_\_\_\_  
Plaintiff Yolanda Castro

**DEFENDANT MACADI CLEANING CORPORATION**

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

\_\_\_\_\_  
Full Name: \_\_\_\_\_

Title: \_\_\_\_\_  
On behalf of Defendant Macadi Cleaning Corporation

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Los Angeles, California 90067  
Tel: (310) 909-7775

69. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

**IN WITNESS WHEREOF**, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiffs and Defendant:

**IT IS SO AGREED.**

**PLAINTIFF YRENE DIAZ**

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

\_\_\_\_\_  
Plaintiff Yrene Diaz


**PLAINTIFF YOLANDA CASTRO**

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

\_\_\_\_\_  
Plaintiff Yolanda Castro

**DEFENDANT MACADI CLEANING CORPORATION**

Dated: Nov. 11, 2025

\_\_\_\_\_  


Full Name: Marco Lopez

Title: CEO

On behalf of Defendant Macadi Cleaning Corporation

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**APPROVED AS TO FORM ONLY:**

**BLACKSTONE LAW, APC**



Dated: 10/21/2025

\_\_\_\_\_  
Jonathan M. Genish  
*Attorneys for Plaintiffs Yrene Diaz and Yolanda Castro and Proposed Class Counsel*

**CONSTANGY, BROOKS, SMITH & PROPHETE, LLP**

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

\_\_\_\_\_  
Kenneth D. Sulzer  
*Attorneys for Defendant Macadi Cleaning Corporation*

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**APPROVED AS TO FORM ONLY:**


**BLACKSTONE LAW, APC**

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

\_\_\_\_\_  
Jonathan M. Genish  
*Attorneys for Plaintiffs Yrene Diaz and Yolanda Castro and Proposed Class Counsel*

**CONSTANGY, BROOKS, SMITH & PROPHETE, LLP**

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