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

CARMINA SANCHEZ, individually, and on behalf of other members of the general public similarly situated; ZIA HICKS, individually, and on behalf of other members of the general public similarly situated; JORGE MUNOZ, individually, and on behalf of other members of the general public similarly situated,

Plaintiffs,

vs.

MEDWAY PLASTICS CORPORATION, a California corporation; INSPERITY PEO SERVICES, L.P., an unknown business entity; and DOES 1 through 100, inclusive,

Defendants.

Case No.: BC715070

*Assigned for all purposes to the Hon. William F. Highberger, Dept. 10*

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

Complaint Filed: July 27, 2018  
Trial Date: None Set

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

This Joint Stipulation of Class Action and PAGA Settlement is entered into by and between Plaintiffs Carmina Sanchez, Zia Hicks, and Jorge Munoz (“Plaintiffs”), individually and on behalf of all other similarly situated and alleged aggrieved employees, and as a representative of the State of California on the one hand, and Defendants Medway Plastics Corporation (“Medway”) and Insperity PEO Services, L.P. (“Insperity”) (Medway and Insperity collectively “Defendants”) on the other hand in the lawsuit entitled *Sanchez et al. v. Medway Plastics et al.* filed in the Los Angeles County Superior Court, Case No. BC715070. Plaintiffs and Defendants shall be, at times, collectively referred to as the “Parties.” This Agreement is intended by the Parties to fully, finally and forever resolve the claims as set forth herein, based upon and subject to the terms and conditions of this Agreement.

### **DEFINITIONS**

1. “Agreement” or “Settlement Agreement” means this Joint Stipulation of Class Action and PAGA Settlement.

2. “Action” means the court action entitled “*Carmina Sanchez et al. v. Medway Plastics et al.*, Los Angeles County Case No. BC715070, initiated on or around July 27, 2018, the First Amended Complaint (“FAC”) filed on or around January 23, 2019, and the Second Amended Complaint (“SAC”) filed on or around July 10, 2019, as well as the claims asserted in Plaintiff Carmina Sanchez’s correspondence of July 19, 2018 to the Labor and Workforce Development Agency seeing penalties against Defendant for violations under the California Labor Code under the Private Attorneys General Act of 2004 (hereinafter the “LWDA Letter.”).

3. “Class Counsel” means Heather Davis, Amir Nayebdadash, and Carlos Jimenez of Protection Law Group LLP, and Edwin Aiwarzian and Joanna Ghosh of Lawyers for Justice, PC. The term “Class Counsel” shall be used synonymously with the term “Plaintiffs’ Counsel.”

4. “Class Counsel’s Fees and Costs” means attorneys’ fees for Class Counsel’s litigation and resolution of the Action and their expenses and costs incurred in connection with the Action, which shall be paid from the Gross Settlement Amount. Class Counsel will request attorneys’ fees not to exceed thirty-five (35%) of the Gross Settlement Amount, *i.e.* One Hundred

1 Fifty-Seven Thousand Five Hundred Dollars and No Cents (\$157,500.00) and the reimbursement  
2 of reasonable costs and expenses associated with the litigation and settlement of the Action, not to  
3 exceed Thirty Thousand Dollars (\$30,000.00), subject to the Court's approval. Defendants have  
4 agreed not to oppose Class Counsel's request for fees and reimbursement of reasonable costs and  
5 expenses in the amount set forth above.

6 5. "Class List" means a complete list of all Class Members that Defendants will in  
7 good faith compile from their records and provide to the Settlement Administrator within fourteen  
8 (14) calendar days of the date the Court enters the Order granting Preliminary Approval of this  
9 Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and  
10 will include Class Member's: (1) full name; (2) last known home address; (3) social security  
11 number; (4) start and end dates of employment (i.e., hire dates, and, if applicable, re-hire date(s)  
12 and/or separation date(s)) as a non-exempt employee of Defendant Medway Plastics Corporation  
13 in the State of California; (5) total Workweeks during the Class Period; (6) total Workweeks during  
14 the PAGA Period; and (7) any other reasonable information required by the Settlement  
15 Administrator in order to effectuate the terms of the Settlement. Defendants will also provide the  
16 Settlement Administrator with the last known telephone number for Class Members upon request  
17 of the Settlement Administrator. This is a material term of the Agreement, and if Defendants fail  
18 to comply, Plaintiffs shall have the option to void this Agreement.

19 6. "Class" or "Class Members" means all current and former non-exempt employees  
20 of Defendants who worked for any of the Medway Defendants in the state of California at any time  
21 during the Class Period.

22 7. "Class Period" means the period from July 27, 2014 through October 7, 2022.

23 8. "Class Representatives" means Plaintiffs Carmina Sanchez, Zia Hicks, and Jorge  
24 Munoz in their capacity as representatives of the Class Members.

25 9. "Class Representative Enhancement Payment" means the amount that the Court  
26 authorizes to be paid to each Plaintiff in addition to their Individual Settlement Payments, in  
27 recognition of the effort and risk they have taken in assisting with the prosecution of the Action  
28 and in exchange for a General Release of their claims as provided herein.

1           10.     “Court” means the Superior Court of the State of California for the County of Los  
2 Angeles.

3           11.     “Defendants” means Medway Defendants and Insperity Defendants.

4           12.     “Effective Date” means the later of the following: (a) the day after the last day by  
5 which a notice of appeal of the Approval Order and/or of an order rejecting any motion to intervene  
6 may be timely filed, and none is filed; (b) if such an appeal is filed, and the Approval Order is  
7 affirmed, the day after the last date for filing a request for further review of the decision passes and  
8 no further review is requested; (c) if an appeal is filed and further review of the decision affirming  
9 the Approval Order is requested, the day after the request for review is denied with prejudice and/or  
10 no further review of the decision can be requested, or (d) if review is accepted, the day after the  
11 United States or California Supreme Court affirms the Settlement. The Effective Date cannot  
12 occur, and Defendants will not be obligated to fund this Settlement, until and unless there is no  
13 timely possibility of an appeal or further appeal that could potentially prevent this Settlement  
14 Agreement from becoming final and binding.

15           13.     “Employer Taxes” means employer-funded taxes and contributions imposed on the  
16 wage portions of the Individual Settlement Payments under the Federal Insurance Contributions  
17 Act, the Federal Unemployment Tax Act, and any similar state and federal taxes and contributions  
18 required of employers, such as for unemployment insurance.

19           14.     “Final Approval” means the date of final affirmation of the Court’s signed Order  
20 and Judgment granting final approval of this Settlement.

21           15.     “General Release” means the broader release of all claims by Plaintiffs in the  
22 Action, which is in addition to Plaintiffs’ release of claims as Participating Class Members.

23           16.     “Gross Settlement Amount” means the sum of Four Hundred Fifty Thousand  
24 Dollars and Zero Cents (\$450,000.00) which shall be paid by Defendants into a Qualified  
25 Settlement Fund (QSF). The Gross Settlement Amount is non-reversionary, no portion of the  
26 Gross Settlement Amount will return to Defendants and includes: (1) payments to the Class, (2)  
27 Class Counsel’s fees, (3) Class Counsel’s costs, (4) Settlement Administration Costs, (5) Class  
28 Representative Enhance Payments to Plaintiffs; and (6) the PAGA Payment to the LWDA and

1 PAGA Members. The Gross Settlement Amount is exclusive of employer's share of any applicable  
2 payroll taxes, and any such employer-side payroll taxes shall be paid by Defendants separately and  
3 in addition to the Gross Settlement Amount. The Gross Settlement Amount plus any applicable  
4 employer-side payroll taxes shall be the maximum amount Defendants are required to pay under  
5 the Settlement. In the event that the consideration due under this Agreement is not paid, then the  
6 Settlement is voidable at the option of Plaintiffs. Payment shall be made per the terms of this  
7 Agreement. If the Agreement is voided, then the time for Plaintiffs to bring class and/or aggrieved  
8 employee claims, will be tolled from the date that this Agreement is fully executed.

9 17. "Individual Settlement Payment" means the amount payable from the Net  
10 Settlement Amount to each Participating Class Member and any payment a PAGA Member is  
11 eligible to receive from the employee portion of the PAGA Payment. Individual Settlement  
12 Payments shall be paid by a Settlement Check made payable to Participating Class Members and/or  
13 PAGA Members.

14 18. "Insperity Defendants" means Defendant Insperity PEO Services, L.P., and its past,  
15 present and/or future, direct and/or indirect, officers, directors, members, managers, employees,  
16 agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent  
17 companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

18 19. "Medway Defendants" means Defendant Medway Plastics Corporation, and its  
19 past, present and/or future, direct and/or indirect, officers, directors, members, managers,  
20 employees, agents, representatives, attorneys, insurers, partners, investors, shareholders,  
21 administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors,  
22 assigns, and joint venturers.

23 20. "Net Settlement Amount" means the funds available for payments to the Class,  
24 which shall be amount remaining after the following amounts are deducted from the Gross  
25 Settlement Amount: (1) Class Counsel's fees, (2) Class Counsel's costs, (3) Settlement  
26 Administration Costs, (4) Class Representative Enhancement Payments to Plaintiffs; (5) the PAGA  
27 Payment to the LWDA and PAGA Members, and (6) all employee-side taxes arising from the  
28 payments made under this Settlement.

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

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

7           23.     “PAGA Payment” means the payment to the State of California Labor and  
8 Workforce Development Agency (“LWDA”) for its seventy-five percent (75%) share of the total  
9 amount allocated toward penalties under the PAGA and payments to the PAGA Members of their  
10 (25%) share of the total amount allocated toward penalties under the PAGA, all of which are to be  
11 paid from the Gross Settlement Amount. The Parties have agreed that Forty Thousand Dollars and  
12 Zero Cents (\$40,000.00) of the Gross Settlement Amount will be allocated toward penalties under  
13 the PAGA of which Thirty Thousand Dollars and Zero Cents (\$30,000.00) will be paid to the  
14 LWDA and Ten Thousand Dollars and Zero Cents (\$10,000.00) will be distributed to PAGA  
15 Members on a *pro rata* basis based on Workweeks (full or partial) worked by the PAGA Members  
16 within the PAGA Period. PAGA Members will receive payment from the employee portion of the  
17 PAGA Payment and will be deemed to have released any claims arising out of PAGA regardless  
18 of their decision to participate in the class action if the PAGA Payment is approved by the Court.

19           24.     “PAGA Period” means the period from July 19, 2017, through October 7, 2022.

20           25.     “PAGA Members” means all current and former non-exempt employees of  
21 Defendants Medway Plastics Corporation, and Insperity PEO Services, L.P. who worked for any  
22 of the Medway Defendants in the state of California at any time during the PAGA Period.

23           26.     “Parties” means Plaintiffs, the Medway Defendants, and the Insperity Defendants  
24 collectively, and “Party” shall mean either Plaintiffs or Medway Defendants or Insperity  
25 Defendants, individually.

26           27.     “Participating Class Members” means all Class Members who do not submit valid  
27 and timely Requests for Exclusion. No claim form is required for a Class Member to become a  
28 Participating Class Member.

28. “Plaintiffs” means Carmina Sanchez, Zia Hicks, and Jorge Munoz.

29. “Preliminary Approval” means the Court order granting preliminary approval of the Settlement Agreement.

30. “Objection” means a Class Member’s valid and timely written objection to the Settlement Agreement. For a written Objection to be valid, it must be submitted by the Response Deadline and include: (a) the objector’s full name, signature, address, telephone number, the approximate dates of employment at Defendants in California, last four digits of the Class Member’s social security number or employee ID number; (b) the case name and number; (c) a written statement of all grounds for the objection accompanied by legal support, if any, for such objection; (d) copies of any papers, briefs, or other documents upon which the objection is based, if any; and (e) a statement describing whether the objector intends to appear at the Final Approval Hearing, either in person or through counsel at the Class Member’s expense.

31. “Released Class Claims” means all claims, rights, demands, liabilities and causes of action that are alleged, or reasonably could have been alleged based on the facts and claims asserted in the operative complaint in this action including the following claims: (i) failure to pay all regular wages, minimum wages and overtime wages due; (ii) failure to provide meal periods or compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu thereof; (iv) failure to reimburse necessary business expenses; (v) failure to provide complete, accurate wage statements; (vi) failure to pay wages timely at time of termination or resignation; (vii) failure to pay wages timely during employment; (viii) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, and causes of action or legal theories of relief pleaded in the operative complaint.

32. “Released PAGA Claims” means all claims under the California Labor Code Private Attorneys General Act of 2004 for civil penalties that could have been premised on the facts alleged both in Plaintiff Carmina Sanchez’s July 19, 2018 PAGA Letter to the LWDA and in the operative complaint including but not limited to penalties that could have been awarded pursuant to Labor Code sections 210, 226.3, 1197.1, 558, and 2699.

33. “Released Parties” means the Medway Defendants and the Insperity Defendants.

1           34.     “Request for Exclusion” means a valid and timely written statement submitted by  
2 a Class Member requesting to be excluded from the Action. To be effective, the Request for  
3 Exclusion must be submitted by the Response Deadline and contain (a) the Class Member’s name,  
4 signature, address, telephone number, dates of employment at Defendants in California, and the  
5 last four digits of the Class Member’s Social Security number and/or the Employee ID number (b)  
6 the case name and number; and (c) a clear statement requesting to be excluded from the settlement  
7 of the class claims similar to the following: “I wish to exclude myself from the class settlement  
8 reached in the matter of “*Sanchez et al. v. Medway Plastics et al.*”, Los Angeles County Case No.  
9 BC715070, I understand that by excluding myself, I will not receive money from the settlement of  
10 my individual claims.” To be effective, the Request for Exclusion must be post-marked by the  
11 Response Deadline and received by the Settlement Administrator. The Request for Exclusion shall  
12 not be effective as to the Released PAGA Claims as Class Members have no right to exclude  
13 themselves (opt-out) of the PAGA component of the Settlement.

14           35.     “Response Deadline” shall be sixty (60) calendar days after the Settlement  
15 Administrator mails Notice to Class Members and the last date on which Class Members may  
16 submit Requests for Exclusion, Objections to the Settlement, or Workweek Disputes. In the event  
17 the 60th day falls on a Sunday or Federal holiday, the Response Deadline will be extended to the  
18 next day on which the U.S. Postal Service is open. The Response Deadline for Requests for  
19 Exclusion or Objections will be extended fifteen (15) calendar days for any Class Member who is  
20 re-mailed a Notice by the Settlement Administrator, unless the 15th day falls on a Sunday or  
21 Federal holiday, in which case the Response Deadline will be extended to the next day on which  
22 the U.S. Postal Service is open. The Response Deadline may also be extended by express  
23 agreement between Class Counsel and Defendants. Under no circumstances, however, will the  
24 Settlement Administrator have the authority to unilaterally extend the deadline for Class Members  
25 to submit a Request for Exclusion or Objection to the Settlement.

26           36.     “Settlement” means the disposition of the Action pursuant to this Agreement.  
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37. “Settlement Administrator” means ILYM Group, Inc. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

38. “Settlement Administration Costs” mean the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating/confirming the class member Workweeks from the information contained in the Class List, calculating each Participating Class Member’s Individual Settlement Payment, tax reporting, distributing the Gross Settlement Amount, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. Settlement Administration Costs shall not exceed Nine Thousand Nine Hundred Ninety Dollars and Zero Cents (\$9,990.00).

39. “Workweek” shall mean any calendar week during which a Class Member/PAGA Member worked at least one (1) day for Defendants during the Class Period and/or PAGA Period, and based on hire dates, re-hire dates and termination dates.

#### **TERMS OF AGREEMENT**

40. Settlement Consideration: Defendants shall fund the Gross Settlement Amount and all applicable employer-side payroll taxes following Final Approval by the Court and the occurrence of the Effective Date. The following will be paid out of the Gross Settlement Amount: the sum of the Individual Settlement Payments, the Class Representative Enhancement Payments, Class Counsel’s Fees and Costs, the PAGA Payment, and the Settlement Administration Costs, as specified in this Agreement. Except for any employer-side taxes due on the Individual Settlement Payments, or as a result of a potential increase in the number of Workweeks as set forth below in paragraph 41, Defendants shall not be required to pay more than the Gross Settlement Amount plus any applicable employer-side payroll taxes. The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will revert to Defendants.

41. Potential Increase to the Gross Settlement Amount: Defendants represented there were approximately 39,991 Workweeks (worked by 463 Class Members) within the Class Period

1 through the date of mediation (i.e., October 7, 2022). Should the actual number of Workweeks  
2 increase by more than ten percent (10%) (i.e. by more than 3,999 additional Workweeks) through  
3 the Class Period, Defendants shall increase the Gross Settlement Amount proportionally by the  
4 Workweeks in excess of 3,999 multiplied by the Workweek value (for example, if the number of  
5 Workweeks increases by 11% to 44,390 total Workweeks, the Gross Settlement Amount will  
6 increase by 1%). Upon request from Plaintiffs' counsel (and no later than 3 days prior to the filing  
7 of the Motion for Preliminary Approval), Defendants shall provide Plaintiffs with the updated total  
8 workweeks for the Class and PAGA Members.

9       42.     Funding of the Gross Settlement Amount: Within fourteen (14) calendar days of  
10 the Final Approval order of the Settlement, as defined in this Agreement, Defendants will deposit  
11 the Gross Settlement Amount into a Qualified Settlement Fund ("QSF") to be established by the  
12 Settlement Administrator. Defendants shall provide all information necessary for the Settlement  
13 Administrator to calculate necessary payroll taxes including its official name, 8-digit state  
14 unemployment insurance tax ID number, and other information requested by the Settlement  
15 Administrator, no later than fourteen (14) calendar days of the Final Approval order. This  
16 information shall be kept confidential from Plaintiffs. Defendants may not vary from the Court  
17 approved scheduling for the funding of the Gross Settlement Amount unless the Parties agree  
18 otherwise; it is not anticipated there would be a need to alter the funding date. If Defendants have  
19 an objection to the Court approved funding timeline, Defendants must seek *ex parte* relief from  
20 the Court about its objection, unless Plaintiffs agree with Defendants otherwise.

21       43.     Distribution of the Gross Settlement Amount: No later than seven (7) calendar days  
22 of the funding of the Settlement, the Settlement Administrator will issue payments for: (a)  
23 Individual Settlement Payments; (b) the PAGA Payment to the Labor and Workforce Development  
24 Agency; (c) the Class Representative Enhancement Payments; (d) Class Counsel's Fees and Costs  
25 and (e) Settlement Administration Costs.

26       44.     Attorneys' Fees and Costs: Defendants agree not to oppose any application or  
27 motion by Class Counsel for attorneys' fees of not more than One Hundred Fifty-Seven Thousand  
28 Five Hundred Dollars and No Cents (\$157,500.00) plus the reimbursement of reasonable costs and

1 expenses associated with the litigation and settlement of the Action, in an amount not to exceed  
2 Thirty Thousand Dollars and No Cents (\$30,000.00), both of which will be paid from the gross  
3 Settlement Amount. Any portion of the requested fees or costs that is not awarded to the Class  
4 Counsel shall be reallocated to the Net Settlement Amount and distributed to Participating Class  
5 Members as provided in this Agreement.

6 45. Class Representative Enhancement Payment: Defendants agree not to oppose or  
7 object to any application or motion by Plaintiffs for Class Representative Enhancement Payment  
8 of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) each. The Class  
9 Representative Enhancement Payment is in exchange for the General Release of the Plaintiffs'  
10 individual claims and for their time, effort and risk in bringing and prosecuting the Action. Any  
11 portion of the requested Class Representative Enhancement Payments that are not awarded to the  
12 Class Representatives shall be reallocated to the Net Settlement Amount and distributed to  
13 Participating Class Members as provided in this Agreement.

14 46. Settlement Administration Costs: The Settlement Administrator will be paid for the  
15 reasonable costs of administration of the Settlement and distribution of payments from the Gross  
16 Settlement Amount as further set forth in this Agreement. Settlement Administration Costs shall  
17 not exceed Nine Thousand Nine Hundred Ninety Dollars and Zero Cents (\$9,990.00).

18 47. PAGA Payment: Forty Thousand Dollars and Zero Cents (\$40,000.00) shall be  
19 allocated from the Gross Settlement Amount for settlement of claims for civil penalties under the  
20 PAGA. The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Payment,  
21 or Thirty Thousand Dollars and Zero Cents (\$30,000.00), to the California Labor and Workforce  
22 Development Agency ("LWDA"). Ten Thousand Dollars and Zero Cents (\$10,000.00) will be  
23 distributed to PAGA Members on a pro rata basis based on the total number of Workweeks worked  
24 by each PAGA Member during the PAGA Period. PAGA Members shall receive their portion of  
25 the PAGA Payment and will be deemed to have released any claims arising out of PAGA  
26 regardless of their decision to opt-out of the class settlement.

27 48. Net Settlement Amount for Payment of Class Claims: The Net Settlement Amount  
28 will be used to satisfy the class portion of Participating Class Members Individual Settlement

Payments in accordance with the terms of this Agreement. The estimated Net Settlement Amount is as follows:

Gross Settlement Amount	\$	450,000.00
Enhancement Payment:	\$	22,500.00
Class Counsel's Fees:	\$	157,500.00
Class Counsel's Costs:	\$	30,000.00
PAGA Payment	\$	40,000.00
Settlement Administration Costs:	\$	<u>9,990.00</u>
<b>Estimated Net Settlement Amount</b>	<b>\$</b>	<b>190,010.00</b>

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

a) Calculation of Class Portion of Individual Settlement Payments:

The Settlement Administrator will calculate the total Workweeks for all Participating Class Members by adding the number of Workweeks worked by each Participating Class Member during the Class Period. The respective Workweeks for each Participating Class Member will be divided by the total Workweeks for all Participating Class Members, resulting in the Payment Ratio for each Participating Class Member. Each Participating Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member's estimated share of the Net Settlement Amount: (Participating Class Member's Workweeks ÷ Workweeks during Class Period) × Net Settlement Amount.

b) Calculation of PAGA Portion of Individual Settlement Payments:

The Settlement Administrator will calculate the total Workweeks for all PAGA Members by adding the number of Workweeks worked by each PAGA Member during the PAGA Period. The respective Workweeks for each PAGA Member will be divided by the total Workweeks for all PAGA Members, resulting in the Payment Ratio for each PAGA Member. Each PAGA Member's Payment Ratio will then be multiplied by the employee portion of the PAGA Payment to calculate each PAGA Member's estimated share of the PAGA Payment: (PAGA Member's Workweeks ÷

1 Workweeks during PAGA Period) x \$10,000.00 (the employee portion of the PAGA Payment).  
2 PAGA Members shall receive this portion of their Individual Settlement Payment and will be  
3 deemed to have released any claims arising out of PAGA regardless of whether they opt out of the  
4 participation regarding the class claims.

5 c) Allocation of Individual Settlement Payments: All Individual  
6 Settlement Payments will be allocated as follows: twenty percent (20%) of each Individual  
7 Settlement Payment will be allocated as wages, forty percent (40%) shall be allocated as interest,  
8 and forty (40%) shall be allocated as penalties. The portion of the Individual Settlement Payment  
9 allocated to wages will be reported by the Settlement Administrator on an IRS Form W-2. The  
10 remaining non-wage payments will be reported on an IRS Form-1099 by the Settlement  
11 Administrator. Individual Settlement Payments shall be paid exclusively from the QSF, pursuant  
12 to the settlement formula set forth herein. Also for tax purposes, the Parties agree that 100% of  
13 each PAGA Members' individual payment amount shall constitute penalties and each PAGA  
14 Member will be issued an IRS Form-1099 for such payment to him or her, if required by law.  
15 Neither Counsel for Plaintiffs nor Defendants intend anything contained in this Agreement to  
16 constitute advice regarding taxes or taxability, nor shall anything in this Agreement be relied upon  
17 as such within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10,  
18 as amended) or otherwise.

19 50. No Credit Toward Benefit Plans: The Individual Settlement Payments made to  
20 Participating Class Members under this Settlement, as well as any other payments made pursuant  
21 to this Settlement, will not modify any previously credited hours or service under any employee  
22 benefit plan, policy, or bonus program sponsored by the Released Parties. Such amounts will not  
23 form the basis for additional contributions to, benefits under, or any other monetary entitlement  
24 under the Released Parties' sponsored benefit plans, policies, or bonus programs. The payments  
25 made under the terms of this Stipulation shall not be applied retroactively, currently, or on a going  
26 forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of  
27 the Released Parties' benefit plans, policies, or bonus programs. The Released Parties retain the  
28 right to modify the language of their benefit plans, policies and bonus programs to effectuate this

1 intent, and to make clear that any amounts paid pursuant to this Settlement are not for “hours  
2 worked,” “hours paid,” “hours of service,” or any similar measuring term as defined by applicable  
3 plans, policies and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other  
4 purpose, and that additional contributions or benefits are not required by this Settlement.

5 51. Settlement Administration Process: The Parties agree to cooperate in the  
6 administration of the Settlement and to make all reasonable efforts to control and minimize the  
7 costs and expenses incurred in administration of the Settlement. The Settlement Administrator will  
8 provide the following services:

- 9 a) Establish and maintain a Qualified Settlement Fund.
- 10 b) Calculate the Individual Settlement Payment each Participating Class Member is  
11 eligible to receive and the portion of the PAGA Payment each PAGA Member shall  
12 receive.
- 13 c) Print and mail the Notice.
- 14 d) Conduct additional address searches for mailed Notices that are returned as  
15 undeliverable.
- 16 e) Process Requests for Exclusion, field inquiries from Class Members.
- 17 f) Print and issue and issue Settlement Payment Checks, prepare IRS W2 and 1099  
18 Tax Forms and any other filings required by any governmental taxing authority.
- 19 g) Provide declarations and/or other information to this Court as requested by the  
20 Parties and/or the Court regarding the settlement administration process.
- 21 h) Provide weekly status reports to counsel for the Parties.
- 22 i) Posting a notice of final judgment online at Settlement Administrator’s website.
- 23 j) Translate the Notice from English to Spanish.

24 52. Delivery of the Class List: Within fourteen (14) calendar days of Preliminary  
25 Approval, Defendants will provide the Class List to the Settlement Administrator, which will be  
26 kept confidential from Plaintiffs and Class Counsel. This is a material term of the Agreement, and  
27 if Defendants fail to comply, Plaintiffs shall have the option to void this Agreement.

1           53.     Notice by First-Class U.S. Mail: Within seven (7) calendar days after receiving the  
2 Class List from Defendants, the Settlement Administrator will mail the Notice to all Class  
3 Members via regular First-Class U.S. Mail, using the most current, known mailing addresses  
4 identified in the Class List.

5           54.     Confirmation of Contact Information in the Class List: Prior to mailing, the  
6 Settlement Administrator will perform a search based on the National Change of Address Database  
7 for information to update and correct for any known or identifiable address changes. Any Notice  
8 returned to the Settlement Administrator as non-deliverable on or before the Response Deadline  
9 will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto  
10 and the Settlement Administrator will indicate the date of such re-mailing on the Notice. If no  
11 forwarding address is provided, the Settlement Administrator will promptly attempt to determine  
12 the correct address using a skip-trace, or other search using the name, address telephone number  
13 and/or Social Security number of the Class Member involved and will then perform a single re-  
14 mailing. If any notice sent to a Class Member by the Settlement Administrator is returned as  
15 undeliverable to a current employee, then Defendants shall make all reasonable efforts to obtain  
16 the current address from the Class Member and provide the same within seven (7) calendar days  
17 of notice from the Settlement Administrator. Those Class Members who receive a re-mailed  
18 Notice, whether by skip-trace or by request, will have between the later of (a) an additional fifteen  
19 (15) calendar days or (b) the Response Deadline to postmark a Request for Exclusion, or an  
20 Objection to the Settlement.

21           55.     Notice: All Class Members will be mailed a Notice. Each Notice will provide: (a)  
22 information regarding the nature of the Action; (b) a summary of the Settlement's principal terms;  
23 (c) the Class definition; (d) the total number of Workweeks each respective Class Member worked  
24 for Defendants during the Settlement Class Period; (e) each Class Member's estimated Individual  
25 Settlement Payment and the formula for calculating Individual Settlement Payments; (f) the dates  
26 which comprise the Class Period; (g) instruction on how to opt-out of and object to the Settlement;  
27 (h) the deadlines by which the Class Member must postmark Requests for Exclusion, Objections  
28

1 to the Settlement, or Workweek Disputes; (i) the claims to be released, as set forth herein; and (j)  
2 the date for the final approval hearing.

3 56. Disputed Information on Notice: Class Members will have an opportunity to  
4 dispute the information provided in their Notice. To the extent Class Members dispute the number  
5 of Workweeks with which they have been credited or the amount of their Individual Settlement  
6 Payment, Class Members may produce evidence to the Settlement Administrator showing that  
7 such information is inaccurate. Absent evidence rebutting Defendants' records, Defendants'  
8 records will be presumed determinative. However, if a Class Member produces evidence to the  
9 contrary by the Response Deadline, the Parties will evaluate the evidence submitted by the Class  
10 Member and the Parties will make the final decision as to the number of eligible Workweeks that  
11 should be applied and/or the Individual Settlement Payment to which the Class Member may be  
12 entitled, in the event that Defendants cannot make this determination themselves. If the Parties do  
13 not agree, the dispute will be submitted to the Court.

14 57. Defective Submissions: If a Class Member's Request for Exclusion is defective as  
15 to the requirements listed herein, that Class Member will be given an opportunity to cure the  
16 defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3)  
17 business days of receiving the defective submission to advise the Class Member that his or her  
18 submission is defective and that the defect must be cured to render the Request for Exclusion valid.  
19 The Class Member will have until the later of (a) the Response Deadline or (b) fifteen (15) calendar  
20 days from the date of the cure letter, whichever date is later, to postmark a revised Request for  
21 Exclusion. If a Class Member responds to a cure letter by filing a defective claim, then the  
22 Settlement Administrator will have no further obligation to give notice of a need to cure. If the  
23 revised Request for Exclusion is not postmarked within that period, it will be deemed untimely.

24 58. Request for Exclusion Procedures: Any Class Member wishing to opt-out from the  
25 Action must sign and postmark a written Request for Exclusion to the Settlement Administrator  
26 by the Response Deadline. The Request for Exclusion must include (a) the Class Member's name,  
27 signature, address, telephone number, dates of employment at Defendants in California, and the  
28 last four digits of the Class Member's Social Security number and/or the Employee ID number;



1 (b) the case name and number; and (c) a clear statement requesting to be excluded from the  
2 settlement of the class claims similar to the following: "I wish to exclude myself from the class  
3 settlement reached in the matter of "*Sanchez et al. v. Medway Plastics et al.*", Los Angeles County  
4 Case No. BC715070, I understand that by excluding myself, I will not receive money from the  
5 settlement of my individual claims." The date of the postmark on the return mailing envelope  
6 receipt confirmation will be the exclusive means to determine whether a Request for Exclusion has  
7 been timely submitted. To be effective, the Request for Exclusion must be post-marked by the  
8 Response Deadline and received by the Settlement Administrator. All Requests for Exclusion will  
9 be submitted to the Settlement Administrator, who will certify jointly to Class Counsel and  
10 Defendant's Counsel the Requests for Exclusion that were timely submitted. All Class Members  
11 who do not request exclusion from the Action will be bound by all terms of the Settlement  
12 Agreement if the Settlement is granted final approval by the Court and deemed Effective under  
13 this Agreement. The Request for Exclusion shall not be effective as to the release of claims arising  
14 under the Private Attorneys General Act.

15 59. Defendant's Right to Rescind: If Class Members representing more than the  
16 aggregate total of ten percent (10.0%) of the Class Members opt-out of the Settlement, Defendants  
17 may, at its election, rescind the Settlement Agreement and all actions taken in furtherance of it will  
18 be thereby null and void. Defendants must give written notice to Class Counsel of its intent to  
19 rescind the Agreement within fourteen (14) calendar days of the Settlement Administrator  
20 notifying the Parties of these opt-outs. If Defendants exercise their right to rescind the Agreement,  
21 Defendants shall be responsible for all Settlement Administration Costs incurred to the date of  
22 rescission. In such a case, the Parties and any funds to be awarded under this Settlement  
23 Agreement shall be returned to their respective statuses as of the date and time immediately prior  
24 to the execution of this Agreement, and the Parties shall proceed in all respects as if this Settlement  
25 Agreement had not been executed, except that any fees already incurred by the Settlement  
26 Administrator shall be paid by Defendants.

27 60. Settlement Terms Bind All Class Members Who Do Not Opt-Out: Upon the  
28 complete funding of the Gross Settlement Amount, any Class Member who does not affirmatively

1 opt-out of the Settlement by submitting a timely and valid Request for Exclusion will be bound by  
2 all of its terms, including those pertaining to the Released Class Claims, as well as any Judgment  
3 that may be entered by the Court if it grants final approval to the Settlement. Class Members who  
4 opt-out of the Settlement shall not be bound by such Judgment or release. The names of Class  
5 Members who have opted-out of the settlement shall be disclosed to the Counsel for both Plaintiffs  
6 and Defendants and noted in the proposed Judgment submitted to the Court.

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

20       62.     Certification Reports Regarding Individual Settlement Payment Calculations: The  
21 Settlement Administrator will provide Defendants' Counsel and Class Counsel a weekly report  
22 which certifies: (a) the number of Class Members who have submitted valid Requests for  
23 Exclusion; (b) the number of Notices returned and re-mailed and (c) whether any Class Member  
24 has submitted a challenge to any information contained in the Notice. Additionally, the Settlement  
25 Administrator will provide to counsel for both Parties any updated reports regarding the  
26 administration of the Settlement Agreement as needed or requested.

27       63.     Uncashed Settlement Checks: Any checks issued by the Settlement Administrator  
28 to Participating Class Members and PAGA Members will be negotiable for at least one hundred

eighty (180) calendar days. If a Participating Class Member or PAGA Member does not cash his or her Settlement Check or PAGA Payment check within 180 days, the uncashed funds, subject to Court approval, shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code §1500, *et. seq.* for the benefit of those Participating Class Members and PAGA Members who did not cash their checks until such time that they claim their property. The Parties agree that this disposition results in no “unpaid residue” under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid out to Participating Class Members and PAGA Members, whether or not they all cash their Settlement Checks or PAGA payment checks. Therefore, Defendants will not be required to pay any interest on such amounts. The Individual Settlement Payments provided to Participating Class Members and to PAGA Members shall prominently state the expiration date or a statement that the Settlement Check will expire in one hundred eighty (180) days, or alternatively, such a statement may be made in a letter accompanying the Individual Settlement Payment. Expired Individual Settlement Payments will not be reissued, except for good cause and as mutually agreed by the Parties in writing. The parties agree no unclaimed funds will result from the settlement.

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

65. Tax Liability: Defendants make no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiffs and Participating Class Members are not relying on any statement, representation, or calculation by Defendants or by the Settlement Administrator in this regard. Plaintiffs and Participating Class Members understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein. Defendants’ share of any employer payroll taxes and other required employer withholdings due on the Individual Settlement Payments, including, but not limited to, Defendants’

1 FICA and FUTA contributions, shall be paid separate and apart from the Gross Settlement  
2 Amount.

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

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

23 68. Release by Participating Class Members: Upon the complete funding of the Gross  
24 Settlement Amount and all applicable employer-side payroll taxes, Participating Class Members  
25 shall fully and finally release and discharge the Released Parties from the Released Class Claims  
26 that arose during the Class Period. This release shall be binding on all Participating Class Members.

27 69. Release by Plaintiffs, State of California, LWDA and PAGA Members: Upon the  
28 complete funding of the Gross Settlement Amount and all applicable employer-side payroll taxes,

1 Plaintiffs, the LWDA, the State of California, through Plaintiffs as its agents and/or proxies, any  
2 other representative, proxy, or agent thereof, including but not limited to any and all PAGA  
3 Members, shall fully and finally release and discharge the Released Parties from the Released  
4 PAGA Claims that arose during the PAGA Period. The Parties intend for this PAGA settlement to  
5 have claim preclusion, issue preclusion, or otherwise bar a representative action to the broadest  
6 extent possible by law if an aggrieved employee were to bring a subsequent claim on behalf of the  
7 LWDA based on the same factual predicate as the Action and covering the same time.

8       70.     Release of Additional Claims & Rights by Plaintiffs: Upon the funding of the Gross  
9 Settlement Amount and all applicable employer-side payroll taxes, Plaintiffs for themselves and  
10 their spouses, heirs and assigns, fully and finally release the Released Parties from any and all  
11 charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages,  
12 actions, causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any  
13 nature and description whatsoever, known or unknown, suspected or unsuspected, asserted or that  
14 might have been asserted, whether in tort, contract, equity, or otherwise, arising out of Plaintiffs'  
15 employment with Defendants, payment of wages during that employment and the cessation of that  
16 employment and/or violation of any federal, state or local statute, rule, ordinance or regulation.  
17 Such claims include but are not limited to any and all Released Class Claims and Released PAGA  
18 Claims and termination thereof, California Civil Code, to include §§3287, 3336 and 3294; 12 CCR  
19 §11040; 8 CCR § 11060; California Code of Civil Procedure §1021.5; California common law of  
20 contract; 29 CFR §778.223; and 29 CFR §778.315; federal common law and, to the extent  
21 permitted by law, the Employee Retirement Income Security Act, 29 U.S.C. §§1001, *et seq.*  
22 (ERISA) §778.315; and federal common law. This release excludes the release of claims not  
23 permitted by law. Plaintiffs' General Release include all claims, whether known or unknown. Even  
24 if Plaintiffs discover facts in addition to or different from those they now know or believe to be  
25 true with respect to the subject matter of Plaintiffs' General Release, those claims will remain  
26 released and forever barred. Specifically, Plaintiffs waive all rights and benefits afforded by  
27 California Civil Code Section 1542, which provides:

1 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE  
2 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO  
3 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE  
4 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE  
5 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE  
6 DEBTOR OR RELEASED PARTY.

7 Notwithstanding the foregoing, Plaintiffs do not waive or release any claim which cannot be  
8 waived or released by private agreement. Further, nothing in this Agreement shall prevent  
9 Plaintiffs from filing a charge or complaint with, or from participating in, an investigation or  
10 proceeding conducted by the SEC, OSHA, EEOC, DFEH, NLRB or any other federal, state or  
11 local agency charged with the enforcement of any employment or other applicable laws. Plaintiffs,  
12 however, understands that by signing this Agreement, they waive the right to recover any damages  
13 or to receive other relief in any claim or suit brought by or through the EEOC, the DFEH or any  
14 other state or local deferral agency on their behalf to the fullest extent permitted by law, but  
15 expressly excluding any monetary award or other relief available from the SEC/OSHA, including  
16 an SEC/OSHA whistleblower award, or other awards or relief that may not lawfully be waived.

17 71. Nullification of Settlement Agreement: In the event that: (a) the Court does not  
18 enter the Preliminary Approval Order and approve the Released Claims specified herein without  
19 requiring material changes to the “Basic Settlement Terms” defined as relating to the monetary  
20 sums to be paid in the Settlement, the parameters of the Released Claims and the covered Class  
21 Period, revisions to the Increase in Workweeks provision contained herein; and revisions to  
22 Defendants’ Option to Nullify the Settlement Agreement provision contained herein; (b) the Court  
23 does not finally approve the Settlement without requiring material changes to the Basic Settlement  
24 Terms as provided herein; (c) the Court strikes or does not approve any material term of this  
25 Settlement Agreement; (d) Defendants exercise their option to nullify the Settlement Agreement  
26 based on an excessive number of opt-outs, as described in the above; or (e) the Settlement does  
27 not become final as written and agreed to by the Parties for any other reason, then this Settlement  
28 Agreement, and any documents generated to bring it into effect, will be null and void, all amounts

1 deposited into the QSF will be returned to Defendants, and the Parties shall be returned to their  
2 original respective positions. Any order or judgment entered by the Court in furtherance of this  
3 Settlement Agreement will likewise be treated as void from the beginning and the Stipulations and  
4 Recitals contained herein shall be of no force or effect and shall not be treated as an admission by  
5 the Parties or their counsel. Should the Court fail to approve this settlement for any reason, the  
6 Parties agree that they will return to and attend mediation with a mutually agreed Mediator in an  
7 effort to reach a settlement that may be approved by the Court, unless the Parties are able to resolve  
8 the issue without resort to a mediator.

9       72.     Preliminary Approval Hearing: Plaintiffs will obtain a hearing before the Court to  
10 request Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary  
11 Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes  
12 only, (b) Preliminary Approval of the proposed Settlement Agreement, and (c) setting a date for a  
13 Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the  
14 Notice to be sent to all class Members as specified herein. In conjunction with the Preliminary  
15 Approval hearing, Plaintiffs will submit this Agreement, which sets forth the terms of the  
16 Settlement, and will include the proposed Notice attached as **Exhibit A**. Defendants agree that  
17 they will not oppose Plaintiffs' Motion for Preliminary Approval. Any failure by the Court to fully  
18 and completely approve the Agreement as to the Action will result in this Settlement Agreement  
19 and the Memorandum of Understanding entered into by the Parties, and all obligations under this  
20 Settlement Agreement and the Memorandum of Understanding being nullified and voided.

21       73.     Final Settlement Approval Hearing and Entry of Judgment: Upon expiration of the  
22 deadlines to postmark Requests for Exclusion or Objections to the Settlement Agreement, and with  
23 the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to  
24 determine the Final Approval of the Settlement Agreement along with the amounts properly  
25 payable for: (a) Individual Settlement Payments; (b) Class Counsel's Fees and Costs; (c) the Class  
26 Representative Enhancement Payments; and (d) the Settlement Administration Costs. Class  
27 Counsel will be responsible for drafting all documents necessary to obtain Final Approval and will  
28 provide a draft to Defendants' counsel before filing and will give Defendants' counsel sufficient



1 time to provide any comments to Class Counsel prior to filing. Any failure by the Court to fully  
2 and completely approve the Settlement Agreement as to all of the Action, or the entry of any Order  
3 by another Court with regard to any of the Action which has the effect of modifying material terms  
4 of this Agreement as described above or preventing the full and complete approval of the  
5 Settlement Agreement as written and agreed to by the Parties, will result in this Agreement and all  
6 obligations under this Agreement being null and void. Defendants agree they shall not oppose the  
7 granting of the Motion for Final Approval, provided Defendants have not exercised their right to  
8 rescind pursuant to the terms of this Agreement.

9       74.     Judgment and Continued Jurisdiction: Upon Final Approval of the Settlement by  
10 the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the  
11 Judgment to the Court for its approval. After entry of the Judgment and Effective Date of this  
12 Agreement, the Court will have continuing jurisdiction solely for purposes of addressing: (a) the  
13 interpretation and enforcement of the terms of the Settlement, (b) Settlement administration  
14 matters, and (c) such post-Judgment matters as may be appropriate under court rules or as set forth  
15 in this Settlement.

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

19       76.     Entire Agreement: This Settlement Agreement and any attached Exhibits constitute  
20 the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral  
21 agreements in relation to settlement terms may be deemed binding on the Parties.

22       77.     Amendment or Modification: This Settlement Agreement may be amended or  
23 modified only by a written instrument signed by counsel for all Parties or their successors-in-  
24 interest.

25       78.     Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant  
26 and represent they are expressly authorized by the Parties whom they represent to negotiate this  
27 Settlement Agreement and to take all appropriate action required or permitted to be taken by such  
28 Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other



documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court or Mediator to resolve such disagreement.

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

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

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

82. Acknowledgement that the Settlement is Fair and Reasonable: The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into 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 regarding the fairness and reasonableness of this Settlement.

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

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

4           85.     Class Action Certification for Settlement Purposes Only: The Parties agree to  
5 stipulate to class action certification only for purposes of the Settlement. If, for any reason, the  
6 Settlement is not approved, the stipulation to certification will be void. The Parties further agree  
7 that certification for purposes of the Settlement is not an admission that class action certification  
8 is proper under the standards applied to contested certification motions and that this Agreement  
9 will not be admissible in this or any other proceeding as evidence that either: (a) a class action  
10 should be certified or (b) Defendants are liable to Plaintiffs or any Class Member, other than  
11 according to the Settlement's terms.

12           86.     Non-Admission of Liability: The Parties enter into this Agreement to resolve the  
13 dispute that has arisen between them and to avoid the burden, expense and risk of continued  
14 litigation. In entering into this Agreement, Defendants do not admit, and specifically deny, they  
15 have violated any federal, state, or local law; violated any regulations or guidelines promulgated  
16 pursuant to any statute or any other applicable laws, regulations or legal requirements; breached  
17 any contract; violated or breached any duty; engaged in any misrepresentation or deception; or  
18 engaged in any other unlawful conduct with respect to its employees. Neither this Agreement, nor  
19 any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as  
20 an admission or concession by Defendants of any such violations or failures to comply with any  
21 applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement, this  
22 Agreement and its terms and provisions shall not be offered or received as evidence in any action  
23 or proceeding to establish any liability or admission on the part of Defendants or to establish the  
24 existence of any condition constituting a violation of, or a non-compliance with, federal, state,  
25 local or other applicable law. Except as set forth elsewhere herein, in the event that this Agreement  
26 is not approved by the Court, or any appellate court, is terminated, or otherwise fails to be  
27 enforceable, Plaintiffs will not be deemed to have waived, limited or affected in any way any  
28 claims, rights or remedies, or defenses in the Action, and Defendants will not be deemed to have

1 waived, limited, or affected in any way any of its objections or defenses in the Action. The Parties  
2 shall be restored to their respective positions in the Action prior to the entry of this Settlement.

3 87. Captions: The captions and section numbers in this Agreement are inserted for the  
4 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the  
5 provisions of this Agreement.

6 88. Waiver: No waiver of any condition or covenant contained in this Settlement  
7 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered  
8 to imply or constitute a further waiver by such party of the same or any other condition, covenant,  
9 right or remedy.

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

15 90. Neutral Employment Reference: Defendants agree that they will provide a neutral  
16 reference regarding any future employment references related to Plaintiffs. In the event that any  
17 potential or future employers of Plaintiffs request a reference regarding Defendants' employment  
18 of Plaintiffs, Defendants shall only provide Plaintiffs' dates of employment, job titles during  
19 employment, and final rate of pay (to the extent permitted by law). Defendants shall not refer to  
20 the Action or this Settlement.

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

26 92. Representation By Counsel: The Parties acknowledge that they have been  
27 represented by counsel throughout all negotiations that preceded the execution of this Agreement,  
28 and that this Agreement has been executed with the consent and advice of counsel and reviewed

1 in full. Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the  
2 Agreement.

3 93. All Terms Subject to Final Court Approval: All amounts and procedures described  
4 in this Settlement Agreement herein will be subject to final Court approval.

5 94. Cooperation and Execution of Necessary Documents: The Parties agree to  
6 cooperate to promote participation in the Settlement, and in seeking court approval of the  
7 Settlement. The Parties and their counsel agree not to take any action to encourage any Class  
8 Members to opt out of and/or object to the Settlement. Defendants agree not to obtain any  
9 settlement agreement waivers, or Pick-Up Stix agreements from any Class Member prior to the  
10 funding of the Gross Settlement Amount and all applicable employer-side payroll taxes concerning  
11 claims released via this Agreement, or enter into any arbitration agreement with any Class Member  
12 that covers the claims released via this Agreement during the Settlement approval process prior to  
13 the funding of the Gross Settlement Amount and the Parties will work in good faith to reach an  
14 agreement approved by the Court.

15 95. Confidentiality: The Parties and their counsel agree to keep the terms of the  
16 Settlement confidential until the filing of Plaintiff's Motion for Preliminary Approval. Plaintiffs,  
17 Class Counsel, Defendants and their counsel agree that they will not issue any press releases,  
18 initiate any contact with the press, respond to any press inquiry or have any communication with  
19 the press about the fact, amount or terms of the Settlement Agreement. Nothing in this Settlement  
20 Agreement shall limit Defendants' ability to fulfill disclosure obligations reasonably required by  
21 law or in furtherance of business purposes, including the fulfillment of obligations stated in this  
22 Settlement Agreement or limit Class Counsel's communications with the Class Members in  
23 furtherance of approval of this Settlement.

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

97. Submission to the LWDA: The Settlement Agreement shall be submitted by Plaintiff to the LWDA within the time limits and as prescribed by law.

Dated: 5/31/2023

**PLAINTIFF**

By:

DocuSigned by:



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Carmina Sanchez

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

**PLAINTIFF**

By: \_\_\_\_\_

Zia Hicks

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

**PLAINTIFF**

By: \_\_\_\_\_

Jorge Munoz

Dated: 5/31/2023

**PROTECTION LAW GROUP, LLP**

By:



Heather Davis, Esq.  
Amir Nayebdadash, Esq.  
Carlos Jimenez, Esq.  
Attorneys for Plaintiffs  
Carmina Sanchez  
Zia Hicks  
Jorge Munoz

Dated: June 16, 2023

**LAWYERS FOR JUSTICE**

By:



Edwin Aiwanian, Esq.  
Attorneys for Plaintiffs  
Carmina Sanchez  
Zia Hicks  
Jorge Munoz

97. Submission to the LWDA: The Settlement Agreement shall be submitted by Plaintiff to the LWDA within the time limits and as prescribed by law.

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

**PLAINTIFF**

By: \_\_\_\_\_

Carmina Sanchez

Dated: 5/30/2023

**PLAINTIFF**

DocuSigned by:

By: \_\_\_\_\_

  
Zia Hicks

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

**PLAINTIFF**

By: \_\_\_\_\_

Jorge Munoz

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

**PROTECTION LAW GROUP, LLP**

By: \_\_\_\_\_

Heather Davis, Esq.  
Amir Nayebdadash, Esq.  
Carlos Jimenez, Esq.  
Attorneys for Plaintiffs  
Carmina Sanchez  
Zia Hicks  
Jorge Munoz

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

**LAWYERS FOR JUSTICE**

By: \_\_\_\_\_

Edwin Aiwarzian, Esq.  
Attorneys for Plaintiffs  
Carmina Sanchez  
Zia Hicks  
Jorge Munoz

97. Submission to the LWDA: The Settlement Agreement shall be submitted by Plaintiff to the LWDA within the time limits and as prescribed by law.

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

**PLAINTIFF**

By: \_\_\_\_\_

Carmina Sanchez

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

**PLAINTIFF**

By: \_\_\_\_\_

Zia Hicks

Dated: 5/30/2023

**PLAINTIFF**

By: \_\_\_\_\_

Jorge Munoz

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

**PROTECTION LAW GROUP, LLP**

By: \_\_\_\_\_

Heather Davis, Esq.  
Amir Nayebdadash, Esq.  
Carlos Jimenez, Esq.  
Attorneys for Plaintiffs  
Carmina Sanchez  
Zia Hicks  
Jorge Munoz

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

**LAWYERS FOR JUSTICE**

By: \_\_\_\_\_

Edwin Aiwarzian, Esq.  
Attorneys for Plaintiffs  
Carmina Sanchez  
Zia Hicks  
Jorge Munoz

Dated: June 9, 2023

**DEFENDANT MEDWAY PLASTICS  
CORPORATION**

By: 

Name: Daniel B. Chammas

Title: Attorney for Defendant

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

**DEFENDANT INSPERITY PEO SERVICES,  
L.P.**

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

Dated: June 12, 2023

**KAHANA & FELD LLP**

By: 

Amir M. Kahana, Esq.

Avi S. Attal, Esq.

Mimi Ahn, Esq.

Attorneys for Defendants

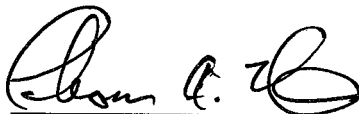
Medway Plastics Corporation

Insperty PEO Services, L.P.



1  
2  
3 Dated: 5-25-23

DEFENDANT MEDWAY PLASTICS  
CORPORATION

4  
5 By: 

6  
7 Name: THOMAS A. HUTCHINSON

8 Title: PRESIDENT

9  
10  
11 Dated: \_\_\_\_\_

DEFENDANT INSPIRITY PEO SERVICES,  
L.P.

12  
13 By: \_\_\_\_\_

14 Name: \_\_\_\_\_

15 Title: \_\_\_\_\_

16  
17  
18  
19 Dated: \_\_\_\_\_

KAHANA & FELD LLP

20  
21 By: \_\_\_\_\_

22 Amir M. Kahana, Esq.  
23 Avi S. Attal, Esq.  
24 Mimi Ahn, Esq.  
25 Attorneys for Defendants  
26 Medway Plastics Corporation  
27 Inspirity PEO Services, L.P.  
28

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

**DEFENDANT MEDWAY PLASTICS  
CORPORATION**

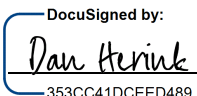
By: \_\_\_\_\_

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

Title: \_\_\_\_\_

Dated: June 9, 2023

**DEFENDANT INSPERITY PEO SERVICES,  
L.P.**

By: 353CC41DCEED489...

Name: Daniel D. Herink

Title: EVP of Legal, General Counsel  
and Secretary

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

**KAHANA & FELD LLP**

By: \_\_\_\_\_  
Amir M. Kahana, Esq.  
Avi S. Attal, Esq.  
Mimi Ahn, Esq.  
Attorneys for Defendants  
Medway Plastics Corporation  
Insperity PEO Services, L.P.

# **Exhibit “A”**

# **NOTICE OF PROPOSED CLASS AND PAGA ACTION SETTLEMENT**

*Sanchez, et al. v. Medway Plastics, et al.*

Los Angeles County Superior Court Case No. BC715070

**THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.  
PLEASE READ THIS NOTICE CAREFULLY.  
YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**

<b>To:</b>	<b>All current and former non-exempt employees of Defendants Medway Plastics Corporation, and Insperity PEO Services, L.P., (“Defendants”) in the state California who worked for any of the Medway Defendants in California at any time between July 27, 2014 through October 7, 2022.</b>
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## **BASIC INFORMATION**

### **1. What is this settlement about?**

Plaintiffs Carmina Sanchez, Zia Hicks, and Jorge Munoz (“Plaintiffs”) filed a class action lawsuit against Defendants Medway Plastics Corporation, and Insperity PEO Services, L.P., entitled *Sanchez, et al. v. Medway Plastics, et al.*; Los Angeles County Superior Court Case No. BC715070 on July 27, 2018. The lawsuit claims that Defendants violated sections of the California Labor Code and California Business and Professions Code. Specifically, Plaintiff alleges that Defendants failed to provide compliant meal and rest periods or pay meal and rest break premiums, did not properly pay employees overtime or pay minimum wages for all time worked, did not provide accurate wage statements, did not timely pay all wages during employment and all wages owed at termination of employment, failed to reimburse employees for necessary business expenses, failed to keep accurate records, and maintained unfair business practices. The settlement also seeks to recover penalties pursuant to the California Private Attorneys General Act (“PAGA”). Defendants deny all alleged violations and deny that they owe Class Members any remedies. The Court has not made a ruling on the merits of the case.

### **2. Why is this a class action?**

In a class action, one or more people, called the Class Representatives (in this case Plaintiffs), sue on behalf of people who appear to have similar claims. All these people are referred to as Class Members. In a class action, one court resolves the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The Los Angeles County Superior Court (the “Court”) is in charge of this class action.

### **3. Why is there a settlement?**

The Court has not decided in favor of the Plaintiffs or Defendants. Instead, both sides agreed to a settlement which is memorialized in the Joint Stipulation of Class Action and PAGA Settlement (“Agreement” or “Settlement”). On **[DATE OF PRELIMINARY APPROVAL]** the Court granted preliminary approval of the Settlement, appointed Plaintiffs as Class Representatives, and appointed their attorneys at Protection Law Group LLP and Lawyers for Justice, PC, as counsel for the Class (“Class Counsel”).

The Court has not yet determined whether it will approve the settlement. Instead, the Court has only determined that the settlement is within the range that could be approved and therefore Notice should be provided to the Class Members. The Court will make a final determination whether to approve the settlement at the Final Approval Hearing.

## WHO IS IN THE SETTLEMENT?

### 4. How do I know if I am part of the settlement?

You are part of the Settlement, and a Class Member, if you are a current or former non-exempt employee of Defendants who worked for any of the Medway Defendants in California at any time between July 27, 2014 through October 7, 2022.

## THE SETTLEMENT BENEFITS—WHAT YOU GET

### 5. What does the settlement provide?

The Settlement provides that Defendants will pay a maximum of Four Hundred Fifty Thousand Dollars and Zero Cents (\$450,000.00) (“Gross Settlement Amount”). This includes all costs and attorneys’ fees for Class Counsel.

The “Net Settlement Amount” is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Amount is the Gross Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys’ Fees to Class Counsel** not to exceed 35% of the Gross Settlement Amount or One Hundred Fifty-Seven Thousand Five Hundred Dollars and No Cents (\$157,500.00);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Thirty Thousand Dollars (\$30,000.00);
- C. **Enhancement Payment to the Class Representatives** in an amount of \$7,500 to each Plaintiff;
- D. **Settlement Administration Costs** which are currently estimated to be Nine Thousand Nine Hundred Ninety Dollars and Zero Cents (\$9,990.00); and
- E. **PAGA Penalties** in the amount of Forty Thousand Dollars and Zero Cents (\$40,000.00) for the settlement of claims arising under the Private Attorney’s General Act of 2004 (PAGA). Seventy-Five percent (75%) of this amount, (\$30,000.00) shall be paid to the LWDA. The remaining twenty-five percent (25%) (\$10,000.00) will be distributed to current and former non-exempt employees of Defendants in California who worked for any of the Medway Defendants in California at any time between July 27, 2014 through October 7, 2022.

The amount you are eligible to receive from the settlement, your “Individual Settlement Payment” will be determined on a *pro rata* basis, based on the number of weeks you worked in California as a non-exempt employee of Defendants between July 27, 2014 through October 7, 2022. (“Workweeks”). Your Individual Settlement Payment includes both your estimated share of the Net Settlement Amount and, if eligible, your share of the PAGA Payment.

Your Individual Class Payment will be apportioned as twenty percent (20%) wages, forty percent (40%) interest and forty percent (40%) penalties. The wage portion of the Individual Class Payment will be subject to withholding for the employee taxes and will be reported on a W-2 Form. Employer-side payroll taxes shall be paid separately from and in addition to the Gross Settlement Amount. The penalties and interest portions of your Individual Class Payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

Your Individual PAGA Payment will be apportioned as one hundred percent (100%) penalties. The penalties portion of your Individual PAGA Payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

You worked **XXX** workweeks during the class period. Your Individual Settlement Payment is **\$XXX.XX** ((Settlement Class Member’s Qualifying Workweeks ÷ All Qualifying Workweeks) x Net Settlement Amount). This amount is an estimate and is subject to change.

You worked **XXX** workweeks during the PAGA period. Your Individual PAGA Payment is **\$XXX.XX** ((PAGA Class Member's Qualifying Workweeks during the PAGA Period ÷ All Qualifying Workweeks during the PAGA Period) x Employee Share of PAGA Penalties). This amount is an estimate and is subject to change.

This amount was determined based on Defendants' record of your employment between July 27, 2014 through October 7, 2022, and is presumed correct. If you dispute the accuracy of Defendants' records as to the number of weeks worked during the Class Period or PAGA Period, you must provide your current address, telephone number, the last four digits of your Social Security Number or complete Employee ID, and any documentation (i.e., payroll or time keeping records, and paycheck stubs) you have supporting such dispute by **[DATE]**. All disputes regarding your workweeks will be resolved and decided by the Settlement Administrator following consultation with the Parties. However, the Court shall review and could reverse the Settlement Administrator's initial determination. The Settlement Administrator's contact information is listed below:

**[Settlement Administrator]**

**[Address]**

**[Telephone No].**

## HOW TO GET A PAYMENT FROM THE SETTLEMENT

### 6. How can I get a payment?

You do not have to do anything to qualify for a payment of your portion of the Settlement.

### 7. What am I giving up if I do not request to be excluded from the Settlement?

Upon the final approval by the Court of this Settlement Agreement and remittance of the Gross Settlement Amount by Defendants to the Settlement Administrator, Participating Class Members shall fully release and discharge the "Released Parties" from any and all "Released Class Claims" and "Released PAGA Claims" that accrued during the "Class Period."

The "Released Parties" means the Medway Defendants and the Insperity Defendants.

"Insperity Defendants" means Defendant Insperity PEO Services, L.P., and its past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

"Medway Defendants" means Defendant Medway Plastics Corporation, and its past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

The "Released Class Claims" means all claims, rights, demands, liabilities and causes of action that are alleged, or reasonably could have been alleged based on the facts and claims asserted in the operative complaint in this action including the following claims: (i) failure to pay all regular wages, minimum wages and overtime wages due; (ii) failure to provide meal periods or compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu thereof; (iv) failure to reimburse necessary business expenses; (v) failure to provide complete, accurate wage statements; (vi) failure to pay wages timely at time of termination or resignation; (vii) failure to pay wages timely during employment; (viii) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, and causes of action or legal theories of relief pleaded in the operative complaint.

“Released PAGA Claims” means all claims under the California Labor Code Private Attorneys General Act of 2004 for civil penalties that could have been premised on the facts alleged both in Plaintiff Carmina Sanchez’s July 19, 2018 PAGA Letter to the LWDA and in the operative complaint including but not limited to penalties that could have been awarded pursuant to Labor Code sections 210, 226.3, 1197.1, 558, and 2699 (to the extent Plaintiff is permitted to provide such a release for the State of California for the PAGA period).

The “Class Period” during which the release of Released Class Claims pertains is from July 27, 2014 through October 7, 2022.

The “PAGA Period” during which the release of Released PAGA Claims pertains is from July 19, 2017 through October 7, 2022.

All PAGA Members shall release the claims arising under PAGA regardless of whether they submit a request for exclusion as the request for exclusion does not apply to this claim.

### **EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS**

If you want to keep the right to sue or continue to sue Defendants with respect to the Released Class Claims then you must submit a request for exclusion in conformity with the requirements set forth herein. If you exclude yourself, you will not receive payment from Net Settlement Amount. However, if eligible, you will still receive a payment in an amount equal to your estimated *pro rata* share of the PAGA Payment because the Request for Exclusion does not apply to this claim.

#### **8. How can I not participate in the Settlement?**

To exclude yourself from the release of Released Class Claims you must submit a written request for exclusion. This written request must include your name, address, telephone number, dates of employment at Defendants in California, and the last four digits of your social security number and/or employee ID number. Your request for exclusion must also include a clear statement that you do not wish to be included in this action such the following: I wish to exclude myself from the class settlement reached in the matter of “*Sanchez et al. v. Medway Plastics et al.*”, Los Angeles County Case No. BC715070, I understand that by excluding myself, I will not receive money from the settlement of my individual claims.”

Your Request for Exclusion must be mailed to the Settlement Administrator at the address listed below, post-marked by [DATE]. You cannot exclude yourself by phone or any means other than those described in this Notice.

[Settlement Administrator]

[Address]

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Amount and you cannot object to the Settlement. You will not be legally bound by the release of Released Class Claims.

#### **9. If I don’t exclude myself, can I sue Defendants for the same thing later?**

No. Unless you submit a request for exclusion, you give up the right to sue Defendants and Released Parties for the Released Class Claims. If you have a pending lawsuit involving the Released Class Claims, speak to your lawyer in that lawsuit immediately.

#### **10. If I exclude myself, can I get money from this settlement?**

You will not receive money for the class claims. You will still receive your portion of the PAGA Payment if eligible because the request for exclusion does not apply to this claim.

### **THE LAWYERS REPRESENTING YOU**

#### **11. Do I have a lawyer in this case?**

The Court has approved Protection Law Group LLP and Lawyers for Justice, P.C. as Class Counsel. These attorneys contact information is set forth below:

##### **PROTECTION LAW GROUP LLP**

Heather Davis, Esq.  
Amir Nayebdadash, Esq.  
Carlos Jimenez, Esq.  
237 California Street  
El Segundo, California 90245  
Telephone: (424) 290-3095

##### **LAWYERS FOR JUSTICE, P.C.**

Edwin Aiwazian, Esq.  
410 Arden Ave, Suite 203  
Glendale, California 91203  
Telephone: (818) 619-2080

Class Counsel will ask the Court for attorneys' fees of up to \$157,500.00 and reimbursement of litigation cost/expenses of up to \$30,000.00. This amount is subject to Court approval and the Court may award less than the requested amount.

### **OBJECTING TO THE SETTLEMENT**

You can object to the Settlement or some part of it.

#### **12. How do I tell the Court I want to object to the settlement?**

If you are a Class Member, you can object to the Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your views. To object, you should mail your objection to the Settlement Administrator no later than [DATE]. Your objection must include your full name, address, telephone number, the last four digits of your social security number or employee ID number, and the specific reason for your objection. Even if you don't submit a timely objection, you can still make an oral objection in person or through your attorney at the Final Approval Hearing.

#### **13. What is the difference between objecting and excluding?**

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you. If you submit a request for exclusion and an objection, the request for exclusion will control and you will lose any right to object to the Settlement, and will not be bound by any terms of the Settlement.



Whether your dispute, written objection, and request for exclusion are timely, will be determined solely based on the postmark date(s). Any untimely dispute, written objection, and request for exclusion may not be considered. However, even if you don't submit a timely objection, you can still make an oral objection in person or through your attorney at the Final Approval Hearing.

### **THE COURT'S FAIRNESS HEARING**

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing"). You may attend, but you do not have to attend.

#### **14. When and where will the Court decide whether to approve the settlement?**

The Court will hold the Final Approval Hearing at [REDACTED] a.m./p.m. on [REDACTED], 2023], at the Los Angeles County Superior Court located at 312 Spring Street, Los Angeles, CA 90012 in Department 10. The Final Approval Hearing date may be continued without further notice to Class Members.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them.

#### **15. Do I have to come to the hearing?**

No. If you agree to the Settlement you do not have to come to Court to talk about it. However, you may attend. You may also retain your own lawyer at your expense to attend on your behalf.

#### **16. How will I learn if the settlement was approved**

A notice of final judgment will be posted on the Settlement Administrator website located at [www.\[REDACTED\].com](http://www.[REDACTED].com)

### **IF YOU DO NOTHING**

#### **17. What happens if I do nothing at all?**

If you do nothing, you will receive your share of the Settlement, and you will release the Released Class Claims and Released PAGA Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants or the Released Parties about the Released Class Claims or Release PAGA Claims, ever again. Your Individual Settlement Payment will be mailed to you and remain valid and negotiable for 180 days. If you do not cash your settlement check within 180 days from the date on the check, these funds will be transferred to the Controller of the State of California's Unclaimed Property Fund. You may then claim these funds from there.

If you lose your check or it is damaged in the mail, contact the Settlement Administrator.

### **GETTING MORE INFORMATION**

#### **18. How do I get more information?**

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement and the Amendment to Settlement Agreement by viewing the settlement located on the

Settlement Administrator's website at [REDACTED] or by contacting the Settlement Administrator or Class Counsel.

### **WHAT IF MY INFORMATION CHANGES?**

#### **19. What if my contact information changes?**

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

**DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE**