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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SANTA CLARA**

LILIANA JUAREZ, individually and on
behalf of others similarly situated, and as a
private attorney general,

Plaintiff,

vs.

PALO ALTO COMMUNITY CHILD CARE,
a California corporation and DOES 1 through
50, inclusive,

Defendants.

Case No.: 19CV342636

*Assigned for all purposes to: Hon. Sunil R.
Kulkarni, Dept. 1*

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

Complaint Filed: February 14, 2019
Trial Date: None Set

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

2 This Joint Stipulation of Class Action and PAGA Settlement is entered into by and between
3 Plaintiff Liliana Juarez (“Plaintiff”), individually and on behalf of all other similarly situated and
4 alleged aggrieved employees, and as a representative of the State of California on the one hand,
5 and Defendant Palo Alto Community Child Care (“Defendant”) on the other hand in the lawsuit
6 entitled *Liliana Juarez v. Palo Alto Community Child Care*, filed in the Santa Clara County
7 Superior Court, Case No. 19CV342636. Plaintiff and Defendant shall be, at times, collectively
8 referred to as the “Parties.” This Agreement is intended by the Parties to fully, finally and forever
9 resolve the claims as set forth herein, based upon and subject to the terms and conditions of this
10 Agreement.

11 **DEFINITIONS**

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

14 2. “Action” means the court action entitled “*Liliana Juarez v. Palo Alto Community*
15 *Child Care*, Santa Clara County Case No. 19CV342636, initiated on or around February 14, 2019,
16 as well as the claims asserted in Plaintiff’s correspondence of November 21, 2018 to the Labor and
17 Workforce Development Agency seeking penalties against Defendants for violations under the
18 California Labor Code under the Private Attorneys General Act of 2004 (hereinafter the “LWDA
19 Letter.”).

20 3. “Class Counsel” means Heather M. Davis, Amir Nayebdadash and Carlos Jimenez
21 of Protection Law Group LLP. The term “Class Counsel” shall be used synonymously with the
22 term “Plaintiff’s Counsel.”

23 4. “Class Counsel’s Fees and Costs” means attorneys’ fees for Class Counsel’s
24 litigation and resolution of the Action and their expenses and costs incurred in connection with the
25 Action, which shall be paid from the Gross Settlement Amount. Class Counsel will request
26 attorneys’ fees not to exceed thirty-five (35%) of the Gross Settlement Amount, *i.e.* Three Hundred
27 Fifty Thousand Dollars and No Cents (\$350,000.00) and the reimbursement of reasonable costs
28 and expenses associated with the litigation and settlement of the Action, up to Forty Thousand

1 Dollars and Zero Cents (\$40,000.00), subject to the Court’s approval. Defendant has agreed not to
2 oppose Class Counsel’s request for fees and reimbursement of reasonable costs and expenses in
3 the amount set forth above.

4 5. “Class List” means a complete list of all Class Members that Defendant will in good
5 faith compile from its records and provide to the Settlement Administrator within Thirty (30)
6 calendar days after the Court enters an Order granting Preliminary Approval of this Settlement.
7 The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include
8 Class Member’s: (1) full name; (2) last known home address; (3) last known telephone number;
9 (4) social security number; (5) dates of employment (*i.e.*, hire dates, and, if applicable, re-hire
10 date(s) and/or separation date(s)); (6) total Workweeks during the Class Period; (7) total Pay
11 Periods during the PAGA Period; and (8) any other reasonable information required by the
12 Settlement Administrator in order to effectuate the terms of the Settlement. This is a material term
13 of the Settlement, and if Defendant fails to comply, Plaintiff shall have the right to void the
14 Settlement.

15 6. “Class” or “Class Members” means all current and former non-exempt employees
16 of Defendant employed in the state of California at any time during the Class Period.

17 7. “Class Period” means the period from February 14, 2015 through and ending on
18 July 24, 2023.

19 8. “Class Representative” means Plaintiff Liliana Juarez in her capacity as a
20 representative of the Class Members.

21 9. “Class Representative Enhancement Payment” means the amount that the Court
22 authorizes to be paid to Plaintiff in addition to her Individual Settlement Payment, in recognition
23 of the effort and risk she has taken in assisting with the prosecution of the Action and in exchange
24 for a General Release of her claims as provided herein.

25 10. “Court” means the Superior Court of the State of California for the County of Santa
26 Clara.

27 11. “Defendant” means Palo Alto Community Child Care.
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1 12. “Effective Date” means the later of the following: (a) if no timely objections are
2 filed or if all objections are withdrawn, the date upon which the Court enters Final Approval; (b)
3 if an objection is filed and not withdrawn, the date for filing an appeal and no such appeal being
4 filed; or (c) if any timely appeals are filed, the date of the resolution (or withdrawal) of any such
5 appeal in a way that does not alter the terms of the settlement, shall be referred to as the “Effective
6 Date.” Defendants and Defendants’ counsel waive all rights to appeal the Final Approval Order.

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

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

13 15. “General Release” means the broader release of all claims by Plaintiff in the Action,
14 which is in addition to Plaintiff’s release of claims as a Participating Class Member.

15 16. “Gross Settlement Amount” means the sum of One Million Dollars and Zero Cents
16 (\$1,000,000.00) which shall be paid by Defendant into a Qualified Settlement Fund (“QSF”). The
17 Gross Settlement Amount is non-reversionary, no portion of the Gross Settlement Amount will
18 return to Defendant and includes: (1) payments to the Class, (2) Class Counsel’s fees, (3) Class
19 Counsel’s costs, (4) Settlement Administration Costs, (5) Class Representative Enhance Payment
20 to Plaintiff; and (6) the PAGA Payment to the LWDA and PAGA Members. The Gross Settlement
21 Amount is exclusive of employer’s share of any applicable payroll taxes, and any such employer-
22 side payroll taxes shall be paid by Defendant separately and in addition to the Gross Settlement
23 Amount. The Gross Settlement Amount plus any applicable employer-side payroll taxes shall be
24 the maximum amount that Defendant is required to pay under the Settlement. If the Agreement is
25 voided, then the time for Plaintiff to bring class and/or aggrieved employee claims, will be tolled
26 from the date that this Agreement is fully executed.

27 17. “Individual Settlement Payment” means the amount payable from the Net
28 Settlement Amount to each Participating Class Member and any payment a PAGA Member is

1 eligible to receive from the employee portion of the PAGA Payment. Individual Settlement
2 Payments shall be paid by a Settlement Check made payable to Participating Class Members and/or
3 PAGA Members.

4 18. “Net Settlement Amount” means the funds available for payments to the Class,
5 which shall be the amount remaining after the following amounts are deducted from the Gross
6 Settlement Amount: (1) Class Counsel’s fees, (2) Class Counsel’s costs, (3) Settlement
7 Administration Costs, (4) Class Representative Enhancement Payment to Plaintiff; and (5) the
8 PAGA Payment to the LWDA and PAGA Members.

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

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

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

27 22. “PAGA Period” means the period from November 21, 2017, through and ending
28 on July 24, 2023.

1 23. “PAGA Members” means Class Members who were employed by Defendant
2 during the PAGA Period.

3 24. “Parties” means Plaintiff and Defendant and “Party” shall mean either Plaintiff or
4 Defendant, individually.

5 25. “Participating Class Members” means all Class Members who do not submit valid
6 and timely Requests for Exclusion. No claim form is required for a Class Member to become a
7 Participating Class Member.

8 26. “Plaintiff” means Liliana Juarez.

9 27. “Preliminary Approval” means the Court Order granting Preliminary Approval of
10 the Settlement Agreement.

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

20 29. “Released Class Claims” means are all claims, charges, complaints, liens, demands,
21 causes of action, obligations, damages and liabilities, known or unknown, suspected or
22 unsuspected, that each participating class member had, now has, or may hereafter claim to have
23 against Defendant and that were asserted in the Action, or that arise from or could have been
24 asserted based on any of the facts, circumstances, transactions, events, occurrences, acts,
25 disclosures, statements, omissions or failures to act alleged in Plaintiff’s Complaint, regardless of
26 whether such claims arise under federal, state and/or local law, statute, ordinance, regulation,
27 common law, or other source of law. The Released Class Claims specifically include, but are not
28 limited to (1) Unpaid Overtime; (2) Failure to Pay Meal Period Premium Pay; (3) Failure to Pay

1 Rest Break Premium Pay; (4) Unpaid Minimum Wage; (5) Waiting Time Penalties; (6) Timely
2 Payment of Wages; (7) Inaccurate Wage Statements; (8) Recordkeeping Violations; (9) Failure to
3 Reimburse for Business Expenses; and (10) Unfair Competition. This release shall apply to claims
4 arising during the Class Period.

5 30. “Released PAGA Claims” means all claims under the California Labor Code
6 Private Attorneys General Act of 2004 for civil penalties that could have been premised on the
7 facts alleged both in the PAGA Letter to the LWDA and in the operative complaint including but
8 not limited to civil penalties that could have been awarded pursuant to Labor Code section 2698
9 *et. seq.* based on Labor Code sections §§ 201, 202, 203, 204, 210, 226, 226.7, 510, 512, 1174,
10 1182.12, 1194, 1194.2, 1197, and 2802 and the related IWC Wage Orders.

11 31. “Released Parties” means Defendant Palo Alto Community Child Care as named
12 by Plaintiff in the operative complaint, and its past, present and/or future, direct and/or indirect,
13 officers, directors, members, managers, agents, representatives, attorneys, insurers, partners,
14 investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions,
15 predecessors, successors, assigns, and joint venturers.

16 32. “Request for Exclusion” means a valid and timely written statement submitted by
17 a Class Member requesting to be excluded from the Action. To be effective, the Request for
18 Exclusion must be submitted by the Response Deadline and contain (a) the Class Member’s name,
19 signature, address, telephone number, dates of employment at Defendants in California, and the
20 last four digits of the Class Member’s Social Security number and/or the Employee ID number (b)
21 the case name and number; and (c) a clear statement requesting to be excluded from the settlement
22 of the class claims similar to the following: “I wish to exclude myself from the class settlement
23 reached in the matter of “*Liliana Juarez v. Palo Alto Community Child Care*, Santa Clara County
24 Case No. 19CV342636, I understand that by excluding myself, I will not receive money from the
25 settlement of my individual claims.” To be effective, the Request for Exclusion must be post-
26 marked by the Response Deadline and received by the Settlement Administrator. The Request for
27 Exclusion shall not be effective as to the Released PAGA Claims as Class Members have no right
28 to exclude themselves (opt-out) of the PAGA component of the Settlement.

1 33. “Response Deadline” shall be sixty (60) calendar days after the Settlement
2 Administrator mails Notice to Class Members and the last date on which Class Members may
3 submit Requests for Exclusion, Objections to the Settlement, or Workweek Disputes. In the event
4 the 60th day falls on a Sunday or Federal holiday, the Response Deadline will be extended to the
5 next day on which the U.S. Postal Service is open. The Response Deadline for Requests for
6 Exclusion or Objections will be extended fifteen (15) calendar days for any Class Member who is
7 re-mailed a Notice by the Settlement Administrator, unless the 15th day falls on a Sunday or
8 Federal holiday, in which case the Response Deadline will be extended to the next day on which
9 the U.S. Postal Service is open. The Response Deadline may also be extended by express
10 agreement between Class Counsel and Defendants. Under no circumstances, however, will the
11 Settlement Administrator have the authority to unilaterally extend the deadline for Class Members
12 to submit a Request for Exclusion or Objection to the Settlement.

13 34. “Settlement” means the disposition of the Action pursuant to this Agreement.

14 35. “Settlement Administrator” means ILYM Group, Inc. The Parties each represent
15 that they do not have any financial interest in the Settlement Administrator or otherwise have a
16 relationship with the Settlement Administrator that could create a conflict of interest.

17 36. “Settlement Administration Costs” mean the costs payable from the Gross
18 Settlement Amount to the Settlement Administrator for administering this Settlement, including,
19 but not limited to, printing, distributing, and tracking documents for this Settlement,
20 calculating/confirming the class member Workweeks from the information contained in the Class
21 List, calculating each Participating Class Member’s Individual Settlement Payment, tax reporting,
22 distributing the Gross Settlement Amount, providing necessary reports and declarations, and other
23 duties and responsibilities set forth herein to process this Settlement, and as requested by the
24 Parties. Settlement Administration Costs shall not exceed Twelve Thousand Six Hundred Fifty
25 Dollars and Zero Cents (\$12,650.00).

26 37. “Workweek” shall mean any calendar week (*i.e.*, a week beginning with Sunday
27 and ending with Saturday) during which a Class Member/PAGA Member worked at least one (1)
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day for Defendant during the Class Period and/or PAGA Period, and based on hire dates, re-hire dates and termination dates.

TERMS OF AGREEMENT

38. Settlement Consideration: Defendant 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 39, Defendant shall not be required to pay more than the Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will revert to Defendant.

39. Potential Increase to the Gross Settlement Amount: Defendant represented there were approximately 37,499 Workweeks (worked by approximately 475 Class Members) within the Class Period. Should the actual number of Workweeks increase by more than ten percent (10%) (*i.e.* by more than 3,750 additional Workweeks) through the Class Period, Defendant shall have the option to either: (1) increase the Gross Settlement Amount on a *pro-rata* basis equal to the percentage increase in the total number of Workweeks worked by the Class Members above Ten Percent (10%), or, (2) to conclude the Class Period and PAGA Claim Period at the conclusion of the first pay period when total Workweeks exceeds 41,250. If Defendant elects option (1) the Gross Settlement Amount shall increase by the *pro-rata* amount of each additional Workweek in excess of 41,250 (*i.e.*, if the total workweeks is 41,251, then the increase shall be by 1/41,251.) If Defendant elects option (2) then the Class Period and the PAGA Claim Period, as well as all corresponding Releases, will end on the modified Class Period and PAGA Claim Period.

40. Funding of the Gross Settlement Amount: Within Thirty (30) calendar days after the Effective Date of the Settlement, as defined in this Agreement, Defendant will deposit the Gross Settlement Amount into a Qualified Settlement Fund ("QSF") to be established by the

Settlement Administrator. Defendant shall provide all information necessary for the Settlement Administrator to calculate necessary payroll taxes including its official name, 8-digit state unemployment insurance tax ID number, and other information requested by the Settlement Administrator, no later than Thirty (30) calendar days of the Effective Date. This information shall be kept confidential from Plaintiff.

41. Distribution of the Gross Settlement Amount: No later than fourteen (14) calendar days of the funding of the Settlement, the Settlement Administrator will issue payments for: (a) Individual Settlement Payments; (b) the PAGA Payment to the Labor and Workforce Development Agency; (c) the Class Representative Enhancement Payments; (d) Class Counsel's Fees and Costs and (e) Settlement Administration Costs.

42. Attorneys' Fees and Costs: Defendant agrees not to oppose any application or motion by Class Counsel for attorneys' fees of not more than Three Hundred Fifty Thousand Dollars and Zero Cents (\$350,000.00) plus the reimbursement of reasonable costs and expenses associated with the litigation and settlement of the Action, in an amount up to Forty Thousand Dollars and Zero Cents (\$40,000.00), both of which will be paid from the gross Settlement Amount. Any portion of the requested fees or costs that is not awarded to the Class Counsel shall be reallocated to the Net Settlement Amount and distributed to Participating Class Members as provided in this Agreement.

43. Class Representative Enhancement Payment: Defendant agrees not to oppose or object to any application or motion by Plaintiff for Class Representative Enhancement Payment of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00). The Class Representative Enhancement Payment is in exchange for the General Release of the Plaintiff's individual claims and for her time, effort and risk in bringing and prosecuting the Action. Any portion of the requested Class Representative Enhancement Payment that are not awarded to the Class Representative shall be reallocated to the Net Settlement Amount and distributed to Participating Class Members as provided in this Agreement.

44. Settlement Administration Costs: The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross

Settlement Amount as further set forth in this Agreement. Settlement Administration Costs shall not exceed Twelve Thousand Six Hundred Fifty Dollars and Zero Cents (\$12,650.00).

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

46. Net Settlement Amount for Payment of Class Claims: The Net Settlement Amount 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	\$	1,000,000.00
Enhancement Payment:	\$	7,500.00
Class Counsel's Fees:	\$	350,000.00
Class Counsel's Costs:	\$	40,000.00
PAGA Payment	\$	40,000.00
Settlement Administration Costs:	\$	<u>12,650.00</u>
Estimated Net Settlement Amount	\$	549,850.00

47. 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 Pay Periods for all PAGA Members by adding the number of Pay Periods worked by each PAGA Member during the PAGA Period. The respective Pay Periods for each PAGA Member will be divided by the total Pay Periods 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 Pay Periods ÷ Pay Periods during PAGA Period) x \$10,000.00 (the employee portion of the PAGA Payment). PAGA Members shall receive this portion of their Individual Settlement Payment and will be deemed to have released any claims arising out of PAGA regardless of whether they opt out of the participation regarding the class claims.

c) Allocation of Individual Settlement Payments: All Individual

Settlement Payments will be allocated as follows: ten percent (10%) of each Individual Settlement Payment will be allocated as wages, thirty percent (30%) shall be allocated as interest, and sixty percent (60%) shall be allocated as penalties. The portion of the Individual Settlement Payment allocated to wages will be reported by the Settlement Administrator on an IRS Form W-2. The remaining non-wage payments will be reported on an IRS Form-1099 by the Settlement Administrator. Individual Settlement Payments shall be paid exclusively from the QSF, pursuant to the settlement formula set forth herein. Also, for tax purposes, the Parties agree that 100% of each PAGA Members' individual payment amount shall constitute penalties and each PAGA Member will be issued an IRS Form-1099 for such payment to him or her, if required by law. Neither Counsel for Plaintiff nor Defendant intend anything contained in this Agreement to

1 constitute advice regarding taxes or taxability, nor shall anything in this Agreement be relied upon
2 as such within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10,
3 as amended) or otherwise.

4 48. No Credit Toward Benefit Plans: The Individual Settlement Payments made to
5 Participating Class Members under this Settlement, as well as any other payments made pursuant
6 to this Settlement, will not modify any previously credited hours or service under any employee
7 benefit plan, policy, or bonus program sponsored by the Released Parties. Such amounts will not
8 form the basis for additional contributions to, benefits under, or any other monetary entitlement
9 under the Released Parties' sponsored benefit plans, policies, or bonus programs. The payments
10 made under the terms of this Stipulation shall not be applied retroactively, currently, or on a going
11 forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of
12 the Released Parties' benefit plans, policies, or bonus programs. The Released Parties retain the
13 right to modify the language of their benefit plans, policies and bonus programs to effectuate this
14 intent, and to make clear that any amounts paid pursuant to this Settlement are not for "hours
15 worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable
16 plans, policies and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other
17 purpose, and that additional contributions or benefits are not required by this Settlement.

18 49. Settlement Administration Process: The Parties agree to cooperate in the
19 administration of the Settlement and to make all reasonable efforts to control and minimize the
20 costs and expenses incurred in administration of the Settlement. The Settlement Administrator will
21 provide the following services:

22 a) Establish and maintain a Qualified Settlement Fund.

23 b) Calculate the Individual Settlement Payment each Participating Class Member is
24 eligible to receive and the portion of the PAGA Payment each PAGA Member shall
25 receive.

26 c) Print and mail the Notice.

27 d) Conduct additional address searches for mailed Notices that are returned as
28 undeliverable.

1 e) Process Requests for Exclusion, field inquiries from Class Members.

2 f) Print and issue Settlement Payment Checks, prepare IRS W2 and 1099 Tax Forms
3 and any other filings required by any governmental taxing authority.

4 g) Provide declarations and/or other information to this Court as requested by the
5 Parties and/or the Court regarding the settlement administration process.

6 h) Provide weekly status reports to counsel for the Parties.

7 i) Posting a notice of final judgment online at Settlement Administrator's website.

8 j) Translate the Notice from English to Spanish.

9 50. Delivery of the Class List: Within Thirty (30) calendar days of Preliminary
10 Approval, Defendant will provide the Class List to the Settlement Administrator, which will be
11 kept confidential from Plaintiff and Class Counsel.

12 51. Notice by First-Class U.S. Mail: Within seven (7) calendar days after receiving the
13 Class List from Defendant, the Settlement Administrator will mail the Notice to all Class Members
14 via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in
15 the Class List.

16 52. Confirmation of Contact Information in the Class List: Prior to mailing, the
17 Settlement Administrator will perform a search based on the National Change of Address Database
18 for information to update and correct for any known or identifiable address changes. Any Notice
19 returned to the Settlement Administrator as non-deliverable on or before the Response Deadline
20 will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto
21 and the Settlement Administrator will indicate the date of such re-mailing on the Notice. If no
22 forwarding address is provided, the Settlement Administrator will promptly attempt to determine
23 the correct address using a skip-trace, or other search using the name, address telephone number
24 and/or Social Security number of the Class Member involved and will then perform a single re-
25 mailing. If any notice sent to a Class Member by the Settlement Administrator is returned as
26 undeliverable to a current employee, then Defendants shall make all reasonable efforts to obtain
27 the current address from the Class Member and provide the same within seven (7) calendar days
28 of notice from the Settlement Administrator. Those Class Members who receive a re-mailed

1 Notice, whether by skip-trace or by request, will have between the later of (a) an additional fifteen
2 (15) calendar days or (b) the Response Deadline to postmark a Request for Exclusion, or an
3 Objection to the Settlement.

4 53. Notice: All Class Members will be mailed a Notice. Each Notice will provide: (a)
5 information regarding the nature of the Action; (b) a summary of the Settlement's principal terms;
6 (c) the Class definition; (d) the total number of Workweeks each respective Class Member worked
7 for Defendants during the Settlement Class Period; (e) each Class Member's estimated Individual
8 Settlement Payment and the formula for calculating Individual Settlement Payments; (f) the dates
9 which comprise the Class Period; (g) the deadlines by which the Class Member must postmark
10 Requests for Exclusion, Objections to the Settlement, or Workweek Disputes; (h) the claims to be
11 released, as set forth herein; and (j) the date for the final approval hearing.

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

23 55. Defective Submissions: If a Class Member's Request for Exclusion is defective as
24 to the requirements listed herein, that Class Member will be given an opportunity to cure the
25 defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3)
26 business days of receiving the defective submission to advise the Class Member that his or her
27 submission is defective and that the defect must be cured to render the Request for Exclusion valid.
28 The Class Member will have until the later of (a) the Response Deadline or (b) fifteen (15) calendar

1 days from the date of the cure letter, whichever date is later, to postmark a revised Request for
2 Exclusion. If a Class Member responds to a cure letter by filing a defective claim, then the
3 Settlement Administrator will have no further obligation to give notice of a need to cure. If the
4 revised Request for Exclusion is not postmarked within that period, it will be deemed untimely.

5 56. Request for Exclusion Procedures: Any Class Member wishing to opt-out from the
6 Action must sign and postmark a written Request for Exclusion to the Settlement Administrator
7 by the Response Deadline. The Request for Exclusion must include (a) the Class Member's name,
8 signature, address, telephone number, dates of employment at Defendant in California, and the last
9 four digits of the Class Member's Social Security number and/or the Employee ID number; (b) the
10 case name and number; and (c) a clear statement requesting to be excluded from the settlement of
11 the class claims similar to the following: "I wish to exclude myself from the class settlement
12 reached in the matter of "*Liliana Juarez v. Palo Alto Community Child Care*, Santa Clara County
13 Case No. 19CV342636, I understand that by excluding myself, I will not receive money from the
14 settlement of my individual claims." The date of the postmark on the return mailing envelope
15 receipt confirmation will be the exclusive means to determine whether a Request for Exclusion has
16 been timely submitted. To be effective, the Request for Exclusion must be post-marked by the
17 Response Deadline and received by the Settlement Administrator. All Requests for Exclusion will
18 be submitted to the Settlement Administrator, who will certify jointly to Class Counsel and
19 Defendant's Counsel the Requests for Exclusion that were timely submitted. All Class Members
20 who do not request exclusion from the Action will be bound by all terms of the Settlement
21 Agreement if the Settlement is granted final approval by the Court and deemed Effective under
22 this Agreement. The Request for Exclusion shall not be effective as to the release of claims arising
23 under the Private Attorneys General Act.

24 57. Defendant's Right to Rescind: If Class Members representing more than the
25 aggregate total of ten percent (10.0%) of the Class Members opt-out of the Settlement, Defendant
26 may, at its election, rescind the Settlement Agreement and all actions taken in furtherance of it will
27 be thereby null and void. Defendant must give written notice to Class Counsel of its intent to
28 rescind the Agreement within fourteen (14) calendar days of the Settlement Administrator

1 notifying the Parties of these opt-outs. If Defendant exercises its right to rescind the Agreement,
2 Defendant shall be responsible for all Settlement Administration Costs incurred to the date of
3 rescission. In such a case, the Parties and any funds to be awarded under this Settlement
4 Agreement shall be returned to their respective statuses as of the date and time immediately prior
5 to the execution of this Agreement, and the Parties shall proceed in all respects as if this Settlement
6 Agreement had not been executed, except that any fees already incurred by the Settlement
7 Administrator shall be paid by Defendant.

8 58. Settlement Terms Bind All Class Members Who Do Not Opt-Out: Upon the
9 complete funding of the Gross Settlement Amount, any Class Member who does not affirmatively
10 opt-out of the Settlement by submitting a timely and valid Request for Exclusion will be bound by
11 all of its terms, including those pertaining to the Released Class Claims, as well as any Judgment
12 that may be entered by the Court if it grants final approval to the Settlement. Class Members who
13 opt-out of the Settlement shall not be bound by such Judgment or release. The names of Class
14 Members who have opted-out of the settlement shall be disclosed to the Counsel for both Plaintiff
15 and Defendant and noted in the proposed Judgment submitted to the Court.

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

1 60. Certification Reports Regarding Individual Settlement Payment Calculations: The
2 Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report
3 which certifies: (a) the number of Class Members who have submitted valid Requests for
4 Exclusion; (b) the number of Notices returned and re-mailed and (c) whether any Class Member
5 has submitted a challenge to any information contained in the Notice. Additionally, the Settlement
6 Administrator will provide to counsel for both Parties any updated reports regarding the
7 administration of the Settlement Agreement as needed or requested.

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

25 62. Administration of Taxes by the Settlement Administrator: The Settlement
26 Administrator will be responsible for issuing to Plaintiff, Participating Class Members, and Class
27 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant
28

1 to this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll
2 taxes and penalties to the appropriate government authorities.

3 63. Tax Liability: Defendant makes no representation as to the tax treatment or legal
4 effect of the payments called for hereunder, and Plaintiff and Participating Class Members are not
5 relying on any statement, representation, or calculation by Defendant or by the Settlement
6 Administrator in this regard. Plaintiff and Participating Class Members understand and agree that
7 they will be solely responsible for the payment of any taxes and penalties assessed on the payments
8 described herein. Defendant's share of any employer payroll taxes and other required employer
9 withholdings due on the Individual Settlement Payments, including, but not limited to, Defendant's
10 FICA and FUTA contributions, shall be paid separate and apart from the Gross Settlement
11 Amount.

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

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

66. Release by Participating Class Members: Upon the Effective Date, Participating Class Members shall fully and finally release and discharge the Released Parties from the Released Class Claims that arose during the Class Period. This release shall be binding on all Participating Class Members.

67. Release by Plaintiff, State of California, LWDA and PAGA Members: Upon the Effective Date, Plaintiff, the LWDA, the State of California, through Plaintiff as its agent and/or proxy, any another representative, proxy, or agent thereof, including but not limited to any and all PAGA Members, shall fully and finally release and discharge the Released Parties from the Released PAGA Claims that arose during the PAGA Period. The Parties intend for this PAGA settlement to have claim preclusion, issue preclusion, or otherwise bar a representative action to the broadest extent possible by law if an aggrieved employee were to bring a subsequent claim on behalf of the LWDA based on the same factual predicate as the Action and covering the same time.

68. Release of Additional Claims & Rights by Plaintiff: Upon the Effective Date, Plaintiff for herself and her spouse, heirs and assigns, fully and finally release the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any nature and description whatsoever, known or unknown, suspected or unsuspected, asserted or that might have been asserted, whether in tort, contract, equity, or otherwise, arising out of Plaintiff's employment with Defendant, payment of wages during that employment and the cessation of that employment and/or violation of any federal, state or local statute, rule, ordinance or regulation. Such claims include but are not limited to any and all Released Class Claims and Released PAGA Claims and termination thereof, California Civil Code, to include §§3287, 3336 and 3294; 12 CCR §11040; 8 CCR § 11060; California Code of Civil Procedure §1021.5; California common law of contract; 29 CFR §778.223; and 29 CFR §778.315;

1 federal common law and, to the extent permitted by law, the Employee Retirement Income Security
2 Act, 29 U.S.C. §§1001, *et seq.* (ERISA) §778.315; and federal common law. In addition,
3 Plaintiff's General Release includes but is not limited to, all claims for lost wages and benefits,
4 emotional distress, retaliation, restitution, penalties, punitive damages, and attorneys' fees and
5 costs (except those provided by this Settlement Agreement) arising under federal, state, or local
6 laws for discrimination, harassment, retaliation, and wrongful termination, such as, by way of
7 example only, (as amended) 42 U.S.C. §1981, Title VII of the Civil Rights Act of 1964, the
8 Americans with Disabilities Act (ADA), the Age Discrimination in Employment Act (ADEA), and
9 the California Fair Employment and Housing Act (FEHA); and the law of contract and tort. This
10 release excludes the release of claims not permitted by law. Plaintiff's General Release include all
11 claims, whether known or unknown. Even if Plaintiff discovers facts in addition to or different
12 from those they now know or believe to be true with respect to the subject matter of Plaintiff's
13 General Release, those claims will remain released and forever barred. Specifically, Plaintiff
14 waives all rights and benefits afforded by California Civil Code Section 1542, which provides:

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

21 Notwithstanding the foregoing, Plaintiff does not waive or release any claim which cannot be
22 waived or released by private agreement. Further, nothing in this Agreement shall prevent Plaintiff
23 from filing a charge or complaint with, or from participating in, an investigation or proceeding
24 conducted by the SEC, OSHA, EEOC, DFEH, NLRB or any other federal, state or local agency
25 charged with the enforcement of any employment or other applicable laws. Plaintiff, however,
26 understands that by signing this Agreement, she waives the right to recover any damages or to
27 receive other relief in any claim or suit brought by or through the EEOC, the DFEH or any other
28 state or local deferral agency on their behalf to the fullest extent permitted by law, but expressly

1 excluding any monetary award or other relief available from the SEC/OSHA, including an
2 SEC/OSHA whistleblower award, or other awards or relief that may not lawfully be waived.

3 69. Nullification of Settlement Agreement: In the event that: (a) the Court does not
4 enter the Preliminary Approval Order and approve the Released Claims specified herein without
5 requiring material changes to the “Basic Settlement Terms” defined as relating to the monetary
6 sums to be paid in the Settlement, the parameters of the Released Claims and the covered Class
7 Period, revisions to the Increase in Workweeks provision contained herein; and revisions to to
8 Defendant’s Option to Nullify the Settlement Agreement provision contained herein); (b) the Court
9 does not finally approve the Settlement without requiring material changes to the Basic Settlement
10 Terms as provided herein; (c) the Court strikes or does not approve any material term of this
11 Settlement Agreement; (d) Defendant exercises its option to nullify the Settlement Agreement
12 based on an excessive number of opt-outs, as described in the above; or (e) the Settlement does
13 not become final as written and agreed to by the Parties for any other reason, then this Settlement
14 Agreement, and any documents generated to bring it into effect, will be null and void, all amounts
15 deposited into the QSF will be returned to Defendant, and the Parties shall be returned to their
16 original respective positions. Any order or judgment entered by the Court in furtherance of this
17 Settlement Agreement will likewise be treated as void from the beginning and the Stipulations and
18 Recitals contained herein shall be of no force or effect and shall not be treated as an admission by
19 the Parties or their counsel. Should the Court fail to approve this settlement for any reason, the
20 Parties agree that they will return to and attend mediation with a mutually agreed Mediator in an
21 effort to reach a settlement that may be approved by the Court, unless the Parties are able to resolve
22 the issue without resort to a mediator.

23 70. Preliminary Approval Hearing: Plaintiff will obtain a hearing before the Court to
24 request Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary
25 Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes
26 only, (b) Preliminary Approval of the proposed Settlement Agreement, and (c) setting a date for a
27 Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the
28 Notice to be sent to all class Members as specified herein. In conjunction with the Preliminary

1 Approval hearing, Plaintiff will submit this Agreement, which sets forth the terms of the
2 Settlement, and will include the proposed Notice attached as **Exhibit A**. Defendant agrees that it
3 will not oppose Plaintiff's motion for Preliminary Approval. Any failure by the Court to fully and
4 completely approve the Agreement as to the Action will result in this Settlement Agreement and
5 the Memorandum of Understanding entered into by the Parties, and all obligations under this
6 Settlement Agreement and the Memorandum of Understanding being nullified and voided.

7 71. Final Settlement Approval Hearing and Entry of Judgment: Upon expiration of the
8 deadlines to postmark Requests for Exclusion or Objections to the Settlement Agreement, and with
9 the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to
10 determine the Final Approval of the Settlement Agreement along with the amounts properly
11 payable for: (a) Individual Settlement Payments; (b) Class Counsel's Fees and Costs; (c) the Class
12 Representative Enhancement Payments; and (d) the Settlement Administration Costs. Any failure
13 by the Court to fully and completely approve the Settlement Agreement as to all of the Action, or
14 the entry of any Order by another Court with regard to any of the Action which has the effect of
15 modifying material terms of this Agreement as described above or preventing the full and complete
16 approval of the Settlement Agreement as written and agreed to by the Parties, will result in this
17 Agreement and all obligations under this Agreement being null and void. Defendant agrees it shall
18 not oppose the granting of the Motion for Final Approval, provided Defendant has not exercised
19 their right to rescind pursuant to the terms of this Agreement.

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

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

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

7 75. Amendment or Modification: This Settlement Agreement may be amended or
8 modified only by a written instrument signed by counsel for all Parties or their successors-in-
9 interest.

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

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

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

25 79. Execution and Counterparts: This Settlement Agreement is subject only to the
26 execution of all Parties. However, the Settlement Agreement may be executed in one or more
27 counterparts. All executed counterparts and each of them, including facsimile and scanned copies
28

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.

80. 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.

81. 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.

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

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

84. Non-Admission of Liability: The Parties enter into this Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering into this Agreement, Defendant does not admit, and specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached

any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to their employees. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law. Except as set forth elsewhere herein, in the event that this Agreement is not approved by the Court, or any appellate court, is terminated, or otherwise fails to be enforceable, Plaintiff will not be deemed to have waived, limited or affected in any way any claims, rights or remedies, or defenses in the Action, and Defendant will not be deemed to have waived, limited, or affected in any way any of its objections or defenses in the Action. The Parties shall be restored to their respective positions in the Action prior to the entry of this Settlement.

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

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

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

88. Mutual Preparation: The Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly

1 against one Party than another merely by virtue of the fact that it may have been prepared by
2 counsel for one of the Parties, it being recognized that, because of the arms-length negotiations
3 between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

4 89. Representation By Counsel: The Parties acknowledge that they have been
5 represented by counsel throughout all negotiations that preceded the execution of this Agreement,
6 and that this Agreement has been executed with the consent and advice of counsel and reviewed
7 in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the
8 Agreement.

9 90. All Terms Subject to Final Court Approval: All amounts and procedures described
10 in this Settlement Agreement herein will be subject to final Court approval.

11 91. Cooperation and Execution of Necessary Documents: The Parties agree to
12 cooperate to promote participation in the Settlement, and in seeking court approval of the
13 Settlement. The Parties and their counsel agree not to take any action to encourage any Class
14 Members to opt out of and/or object to the Settlement. Defendant agrees not to obtain any
15 settlement agreement waivers, or Pick-Up Stix agreements from any Class Member prior to the
16 funding of the Gross Settlement Amount concerning claims released via this Agreement, or enter
17 into any arbitration agreement with any Class Member that covers the claims released via this
18 Agreement during the Settlement approval process prior to the funding of the Gross Settlement
19 Amount and that the Parties will work in good faith to reach an agreement approved by the Court.

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

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

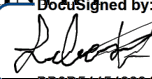
94. Submission to the LWDA: The Settlement Agreement shall be submitted by Plaintiff to the LWDA within the time limits and as prescribed by law.

Dated: 8/4/2023

PLAINTIFF

DocuSigned by:

By:




Liliana Juarez

Dated: 8/4/2023

PROTECTION LAW GROUP, LLP

By:



Heather Davis, Esq.
Amir Nayebdadash, Esq.
Carlos Jimenez, Esq.
Attorneys for Plaintiff
LILIANA JUAREZ

Dated: _____

**DEFENDANT PALO ALTO COMMUNITY
CHILD CARE**

By: _____

Name: _____

Title: _____

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///

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

94. 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: _____

Liliana Juarez

Dated: _____

PROTECTION LAW GROUP, LLP

By: _____

Heather Davis, Esq.
Amir Nayebdadash, Esq.
Carlos Jimenez, Esq.
Attorneys for Plaintiff
LILIANA JUAREZ

Dated: 8/24/23

**DEFENDANT PALO ALTO COMMUNITY
CHILD CARE**

By: _____

Name: _____

Lee Palo

Title: _____

Executive Director

///

///

///

**GORDON REES SCULLY MANSUKHANI
LLP**

Dated: August 31, 2023

By: 

Sat Sang S. Khalsa
Attorneys for Defendant
PALO ALTO COMMUNITY CHILD
CARE

Exhibit “A”

NOTICE OF PROPOSED CLASS AND PAGA ACTION SETTLEMENT

Juarez, et al. v. Palo Alto Community Child Care
Santa Clara County Superior Court Case No. 19CV342636

**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.**

To: All current and former non-exempt employees of Defendant Palo Alto Community Child Care (“Defendant”) employed in the state of California at any time between February 14, 2025 through July 24, 2023.

BASIC INFORMATION

1. What is this settlement about?

Plaintiff Liliana Juarez (“Plaintiff”) filed a class action lawsuit against Defendant Palo Alto Community Child Care (“Defendant”) entitled *Juarez v. Palo Alto Community Child Care*, Santa Clara County Superior Court Case No. 19CV342636 on February 14, 2019. The lawsuit claims that Defendant violated sections of the California Labor Code and California Business and Professions Code. Specifically, Plaintiff alleges that Defendant 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”). Defendant denies all alleged violations and deny that it owes 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 Plaintiff), 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 Santa Clara 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 Plaintiff or Defendant. 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 Plaintiff as a Class Representative, and appointed their attorneys at Protection Law Group LLP 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 February 14, 2015 through July 24, 2023.

THE SETTLEMENT BENEFITS—WHAT YOU GET

5. What does the settlement provide?

The Settlement provides that Defendants will pay a maximum of One Million Dollars and Zero Cents (\$1,00,000.00) (“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 Three Hundred Fifty Thousand Dollars and No Cents (\$350,000.00);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Forty Thousand Dollars (\$40,000.00);
- C. **Enhancement Payment to the Class Representative** in an amount of \$7,500 to Plaintiff;
- D. **Settlement Administration Costs** which are currently estimated to be Twelve Thousand Six Hundred Fifty Dollars and Zero Cents (\$12,650.00); 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 Defendant in California who worked in California at any time between November 21, 2017 through July 24, 2023.

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 Defendant between February 14, 2015 through July 24, 2023. (“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 ten percent (10%) wages, thirty percent (30%) interest and sixty percent (60%) 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 Defendant's record of your employment between February 14, 2015 through July 24, 2023, and is presumed correct. If you dispute the accuracy of Defendant's 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 Defendant 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 Class Claims" means are all claims, charges, complaints, liens, demands, causes of action, obligations, damages and liabilities, known or unknown, suspected or unsuspected, that each participating class member had, now has, or may hereafter claim to have against Defendant and that were asserted in the Action, or that arise from or could have been asserted based on any of the facts, circumstances, transactions, events, occurrences, acts, disclosures, statements, omissions or failures to act alleged in Plaintiff's Complaint, regardless of whether such claims arise under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law. The Released Class Claims specifically include, but are not limited to (1) Unpaid Overtime; (2) Failure to Pay Meal Period Premium Pay; (3) Failure to Pay Rest Break Premium Pay; (4) Unpaid Minimum Wage; (5) Waiting Time Penalties; (6) Timely Payment of Wages; (7) Inaccurate Wage Statements; (8) Recordkeeping Violations; (9) Failure to Reimburse for Business Expenses; and (10) Unfair Competition. This release shall apply to claims arising during the Class Period.

"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 the PAGA Letter to the LWDA and in the operative complaint including but not limited to civil penalties that could have been awarded pursuant to Labor Code section 2698 et. seq. based on Labor Code sections §§ 201, 202, 203, 204, 210, 226, 226.7, 510, 512, 1174, 1182.12, 1194, 1194.2, 1197, and 2802 and the related IWC Wage Orders (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 February 14, 2015 through July 24, 2023.

The "PAGA Period" during which the release of Released PAGA Claims pertains is from November 21, 2017

through July 24, 2023.

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 Defendant 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 “*Liliana Juarez v. Palo Alto Community Child Care*, Santa Clara County Case No. 19CV342636, 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 Defendant for the same thing later?

No. Unless you submit a request for exclusion, you give up the right to sue Defendant 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 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

Class Counsel will ask the Court for attorneys' fees of up to \$350,000.00 and reimbursement of litigation cost/expenses of up to \$40,000.00. 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 [] a.m./p.m. on [], 2023], at the Santa Clara County Superior Court located at 161 North First Street San Jose, CA 95113 in Department 1. 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 Defendant 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