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10 CHRISTIAN LEMUS

11 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
12 **COUNTY OF SAN BERNARDINO**

13 CHRISTIAN LEMUS, individually, and on  
14 behalf of others similarly situated, and as a  
15 private attorney general;

16 Plaintiff,

17 vs.

18 SLATER, INC.; and DOES 1 through 50,  
19 inclusive,

20 Defendants.

Case No.: CIVDS1703633

Assigned for all purposes to Honorable  
David S. Cohn  
Dept. S26

**CLASS ACTION**

**JOINT STIPULATION OF SETTLEMENT  
AND RELEASE BETWEEN PLAINTIFF  
AND DEFENDANT**

Complaint Filed: March 2, 2017  
Trial Date: Not Set

1 This Joint Stipulation of Settlement and Release (hereinafter “Stipulation of Settlement”  
2 is made and entered into by and between Plaintiff CHRISTIAN LEMUS (“Plaintiff”),  
3 individually, and on behalf of other members of the general public similarly situated, and  
4 SLATER, INC. (“Defendant”).

5 This Stipulation of Settlement shall be binding on Plaintiff and those persons Plaintiff  
6 seeks to represent, and on Defendant and its past, present and former parent companies,  
7 subsidiaries, divisions, related or affiliated companies including, but not limited to, its past,  
8 current and future shareholders, partners, officers, directors, fiduciaries, members, supervisory  
9 committee members, volunteers, managers, clients, employees, agents, attorneys, insurers,  
10 successors and assigns, and any individual or entity who could be jointly liable with any of the  
11 foregoing, and their respective counsel, subject to the terms and conditions hereof and the  
12 Court’s approval. The Settlement contemplated by this Stipulation of Settlement is sometimes  
13 hereinafter referred to as the “Settlement.”  
14

15 THE PARTIES STIPULATE AND AGREE as follows:

- 16 1. Plaintiff and Defendant are collectively referred to herein as “the Parties.”
- 17 2. On March 2, 2017, Plaintiff filed a complaint in the San Bernardino County  
18 Superior Court on behalf of himself and all other non-exempt employees who worked for  
19 Defendant in California. Defendant filed an answer to this initial complaint denying all material  
20 allegations and asserting affirmative defenses. On April 10, 2017 Defendant filed an Answer to  
21 the Complaint and on June 6, 2017, Plaintiff filed a First Amended Complaint (“Complaint”) to  
22 allege a cause of action under the California Private Attorneys’ General Act (“PAGA”).
- 23 3. Plaintiff’s Complaint alleges causes of action for unpaid overtime, unpaid meal  
24 period premiums, unpaid rest period premiums, wages not timely paid during employment, non-  
25 compliant wage statements, failure to keep requisite payroll records, unreimbursed business  
26 expenses, failure to pay prevailing wage and unfair competition, on behalf of Class Members from  
27 March 2, 2013 through notice to the Class Members. Plaintiff’s Complaint seeks recovery of  
28 alleged damages, penalties, interest, and attorneys’ fees and costs. Defendant denies all claims,

1 denies that Plaintiff and the Class Members are entitled to any recovery, and asserts affirmative  
2 defenses in response to Plaintiff's claims. The term "Action" means this putative class action  
3 pending San Bernardino County Superior Court. The Class Period is between March 2, 2013 and  
4 April 1, 2018 (the "Class Period").

5 4. Plaintiff has not filed a motion for class certification in this action, nor has a date  
6 been set by the Court for the filing of such a motion.

7 5. This Action has been actively litigated. There have been on-going  
8 investigations, and there has been an exchange of extensive documentation and information.

9 6. For purposes of this Settlement, the "Settlement Class" or "Class Members" shall  
10 consist of "all current and former non-exempt employees of Defendant in California at any time  
11 between March 2, 2013 and April 1, 2018 (the "Settlement Class" or the "Class Members"). The  
12 Settlement Class, however, shall not include any person who previously settled or released the  
13 claims covered by this Settlement, any person who previously was paid or received awards  
14 through civil or administrative actions for the claims covered by this Settlement, or any person  
15 who submits a timely and valid Request for Exclusion as provided in this Settlement.  
16

17 7. Solely for purpose of settling this case, the Parties stipulate and agree that the  
18 requisites for establishing class certification with respect to the Settlement Class have been met  
19 and are met. More specifically, the Parties stipulate and agree that:

20 a. The Settlement Class is ascertainable and so numerous as to make it  
21 impracticable to join all Class Members.

22 b. There are common questions of law and fact including, but not limited to,  
23 the following:

24 i. Whether Defendant complied with applicable laws affecting  
25 Plaintiff and the Settlement Class under the California Labor Code and the Wage Orders of the  
26 California Industrial Welfare Commission; and

27 ii. Whether Plaintiff and the Settlement Class are entitled to alleged  
28 penalties, interest, and attorneys' fees and costs.

1           c.       Plaintiff believes Plaintiff's claims are typical of the claims of the  
2 members of the Settlement Class.

3           d.       Plaintiff believes Plaintiff will fairly and adequately protect the interests  
4 of the Settlement Class, and that Plaintiff's counsel Heather Davis, Amir Nayebdadash and  
5 Luke Clapp of Protection Law Group LLP, should be "Class Counsel," and will fairly and  
6 adequately protect the interests of the Settlement Class.

7           e.       The prosecution of separate actions by individual members of the  
8 Settlement Class would create the risk of inconsistent or varying adjudications, which would  
9 establish incompatible standards of conduct.

10          f.       With respect to the Settlement Class, Plaintiff believes that questions of  
11 law and fact common to the members of the Settlement Class predominate over any questions  
12 affecting any individual member in such Class, and a class action is superior to other available  
13 means for the fair and efficient adjudication of the controversy.

14          8.       Defendant denies any liability or wrongdoing of any kind whatsoever associated  
15 with the claims alleged in the Action, and further denies that, for any purpose other than settling  
16 this Action, this Action is appropriate for class or representative treatment. With respect to  
17 Plaintiff's claims, Defendant contends, among other things, that it has complied with all  
18 applicable state, federal and local laws affecting Plaintiff and the Settlement Class.

19          9.       It is the desire of the Parties to fully, finally and forever settle, compromise and  
20 discharge all disputes and claims arising from or related to the Action. To achieve a full and  
21 complete release of Defendant, each Class Member acknowledges that this Stipulation of  
22 Settlement is intended to include in its effect all claims of any nature reasonably arising out of  
23 the allegations made in the Action and all Released Claims against all Released Parties (as those  
24 terms are defined herein) under any federal, state or local law, including any such claims which  
25 the Class Member does not know or suspect to exist in his or her favor against Defendant as of  
26 the date of the Court's final approval of this Settlement.  
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1           10.     It is the intention of the Parties that this Stipulation of Settlement shall constitute  
2 a full and complete settlement and release of all claims arising from the allegations of this class  
3 action case against Defendant, which release includes in its effect all past, present and former  
4 parent companies, subsidiaries, divisions, partnership entities, related or affiliated companies,  
5 including past, current and future shareholders, officers, directors, fiduciaries, members,  
6 supervisory committee members, volunteers, officers, managers, employees, agents, attorneys,  
7 insurers, successors and assigns, and any individual or entity who could be jointly liable with  
8 any of the foregoing.

9           11.     Counsel for the Settlement Class have conducted a thorough investigation into  
10 the facts of this Action, and have diligently pursued an investigation of Class Members' claims  
11 against Defendant. Based on their own independent investigation and evaluation, Class Counsel  
12 are of the opinion that the Settlement with Defendant for the consideration and on the terms set  
13 forth in this Stipulation of Settlement is fair, reasonable and adequate and is in the best interest  
14 of the Settlement Class in light of all known facts and circumstances, including the risk of  
15 significant delay, the risk the Settlement Class will not be certified by the Court, defenses  
16 asserted by Defendant and numerous potential appellate issues. Defendant and Defendant's  
17 counsel also agree that the Settlement is fair and in the best interest of the Parties.

18           12.     The Parties agree to cooperate and to take all steps necessary and appropriate to  
19 consummate this Settlement and for entry of judgment in accordance with this Stipulation of  
20 Settlement.

21           13.     This Settlement requires Defendant to pay Settlement Awards (defined below)  
22 according to a specified formula to each Class Member. The maximum total payment under the  
23 Settlement is \$750,000.00, which represents the Settlement Awards, the attorneys' fees and  
24 costs to Class Counsel, the Enhancement Award to the Class Representative, the claims  
25 administration costs, the PAGA penalties, and any other payments provided by the Settlement.  
26 It is understood and agreed that Defendant's maximum total liability under the Settlement shall  
27 not exceed \$750,000.00. It is further understood and agreed that Defendant shall have no  
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1 obligation to pay any person, entity or organization more than the amount of its maximum total  
2 liability under the Settlement.

3 TERMS OF SETTLEMENT

4 14. NOW THEREFORE, in consideration of the mutual covenants, promises and  
5 agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

6 a. It is agreed by and among Plaintiff and Defendant that this Action and  
7 any claims, damages or causes of action arising out of the disputes which are the subject of this  
8 Action, be settled and compromised as between the Settlement Class and Defendant, subject to  
9 the terms and conditions set forth in this Stipulation of Settlement and the approval of the Court.

10 b. Effective Date: The Settlement embodied in this Stipulation of  
11 Settlement shall become effective ("Effective Date") when all of the following events have  
12 occurred: (i) this Stipulation of Settlement has been executed by all Parties and by counsel for  
13 the Class and Defendant; (ii) the Court has given preliminary approval to the Settlement; (iii)  
14 the notice has been given to the Settlement Class, providing them with an opportunity to opt out  
15 of the Settlement; (iv) the Court has held a formal fairness hearing and entered a final order and  
16 judgment certifying the Settlement Class and finally approving this Stipulation of Settlement;  
17 and (v) in the event there are written objections filed prior to the formal fairness hearing which  
18 are not later withdrawn, the later of the following events: when the period for filing any appeal,  
19 writ or other appellate proceeding opposing the Settlement has elapsed without any appeal, writ  
20 or other appellate proceeding having been filed; or any appeal, writ or other appellate  
21 proceeding opposing the Settlement has been dismissed finally and conclusively with no right to  
22 pursue further remedies or relief; or any appeal, writ or other appellate proceeding has upheld  
23 the Court's final order with no right to pursue further remedies or relief. In this regard, it is the  
24 intention of the Parties that the Settlement shall not become effective until the Court's order  
25 approving the Settlement is completely final, and there is no further recourse by an appellant or  
26 objector who seeks to contest the Settlement. It is further agreed by the Parties that this  
27 Settlement will not become effective if Defendant, contrary to Paragraph 13 above, is required  
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1 to pay more than the total amount of its maximum total liability under the Settlement as set forth  
2 in Paragraph 13 under any circumstances. It is further agreed by and between the Parties that  
3 this Settlement shall not become effective, and Defendant shall not have any obligation  
4 (monetary or otherwise) under the terms of this Settlement, unless and until any objections,  
5 writs and/or appeals, and any rights of appeal with respect to any objections or the judgment,  
6 have been finally exhausted and resolved upholding the terms of this Settlement.

7 c. Maximum Settlement Amount, and Net Settlement Amount: To  
8 implement the terms of this Settlement, Defendant agrees to pay \$750,000.00 (“Maximum  
9 Settlement Amount”). The Parties agree the entire Maximum Settlement Amount will be paid  
10 out by Defendant without reversion. The Parties agree that the Maximum Settlement Amount is  
11 premised on the understanding that as of December 6, 2017, the total putative class members  
12 eligible to participate in the Settlement is 182 and the total qualifying workweeks amounts to  
13 12,675. If, the total number of workweeks exceed the original amount of 12,675 by 10% or  
14 more, Plaintiff may void this Agreement; however, the Parties will meet and confer in good  
15 faith on this issue before exercising this option. At no time shall Defendant have the obligation  
16 to segregate the funds comprising the Maximum Settlement Amount, and Defendant shall retain  
17 exclusive authority over and responsibility for those funds subject to the disbursement of funds  
18 necessary for payment of Settlement Awards, approved attorneys’ fees, approved costs,  
19 approved Enhancement Award to the Class Representative, claims administration fees and  
20 expenses, employer payroll taxes, payment to the California Labor and Workforce Development  
21 Agency (“LWDA”) pursuant to PAGA, and any other payments provided by this Settlement.  
22 The Settlement Awards paid to Class Members, the attorneys’ fees and costs to Class Counsel,  
23 the Enhancement Award to the Class Representative, the fees and expenses of the Claims  
24 Administrator, the employer payroll taxes, the payment to the LWDA pursuant to PAGA, and  
25 any other payments provided by this Settlement, shall be paid out of the Maximum Settlement  
26 Amount. The “Net Settlement Amount,” the amount available for potential distribution to Class  
27 Members, shall be calculated by deducting from the Maximum Settlement Amount, (i) Class  
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1 Counsel's attorneys' fees and costs, (ii) the Enhancement Award, (iii) the PAGA penalty  
2 payment to the LWDA as described further below, (iv) the fees and expenses of the Claims  
3 Administrator; and (v) the employer's payroll taxes for the wage portion of the Settlement  
4 Awards as described further below.

5           i.       Settlement Awards to Class Members: Settlement Awards to  
6 Class Members will be determined based on the number of weeks worked by all Class Members  
7 during the Class Period based on information provided by Defendant. The workweeks will be  
8 calculated by Defendant or the Claims Administrator for Class Members by dividing the total  
9 days employed as a Class Member during the Class Period by seven. Partial workweeks will  
10 not be counted, which means the final work week number will be rounded down to the last full  
11 work week; however, if a Class Member worked only one day during the entirety of the Class  
12 Period, such Class Member will be credited with having worked one work week for purposes of  
13 this Settlement. Defendant's workweeks data will be presumed to be correct, unless a particular  
14 Class Member proves otherwise to the Claims Administrator by credible written evidence. All  
15 workweek disputes will be resolved and decided by the Claims Administrator, and the Claims  
16 Administrator's decision on all workweek disputes will be final. The amount to be paid per  
17 workweek to eligible Class Members will be calculated by the Claims Administrator by dividing  
18 the Net Settlement Amount by the number of workweeks worked by all Class Members; any  
19 person who opts out of the Settlement is not a Class Member, and is ineligible to object to the  
20 Settlement or to participate in the Settlement.

21           ii.       Private Attorneys General Act Allocation: The Parties have  
22 agreed to allocate \$15,000.00 to Plaintiff's claims under PAGA. Seventy-five percent (75%) of  
23 this amount, or in other words \$11,250.00, will be paid out of the Maximum Settlement Amount  
24 to the Labor and Workforce Development Agency ("LWDA") of the State of California, and the  
25 remaining balance of \$3,750.00 will remain included in the Net Settlement Amount for  
26 distribution to Class Members.  
27  
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1                   iii.     Allocation of Settlement Awards: The Parties have agreed, based  
2 on the allegations in the Action, that individual Settlement Awards payable to eligible Class  
3 Members will be allocated from the Net Settlement Amount and paid out as follows: (1) one-  
4 third will be allocated to alleged unpaid wages for which IRS Forms W-2 will issue; (2) one-  
5 third will be allocated to alleged unpaid penalties and alleged unreimbursed business expenses  
6 for which IRS Forms 1099-MISC will issue; and (3) one-third will be allocated to alleged  
7 unpaid interest for which IRS Forms 1099-MISC will issue.

8                   iv.     Settlement Awards Do Not Trigger Additional Benefits: All  
9 Settlement Awards to Class Members shall be deemed to be income to such Class Members  
10 solely in the year in which such awards are actually received by the Class Members. It is  
11 expressly understood and agreed that the receipt of such Settlement Awards will not entitle any  
12 Class Member to additional compensation or benefits under any company bonus, contest or  
13 other compensation or benefit plan or agreement in place during the period covered by the  
14 Settlement, nor will it entitle any Class Member to any increased retirement, 401(k) benefits or  
15 matching benefits, or deferred compensation benefits. It is the intent of this Settlement that the  
16 Settlement Awards provided for in this Agreement are the sole payments to be made by  
17 Defendant to the Class Members in connection with this Settlement, and that the Class Members  
18 are not entitled to any new or additional compensation or benefits as a result of having received  
19 the Settlement Awards (notwithstanding any contrary language or agreement in any benefit or  
20 compensation plan document that might have been in effect during the period covered by this  
21 Settlement).

22                   v.     Attorneys' Fees and Litigation Costs: Subject to Court approval  
23 or modification, Defendant further agrees to pay Class Counsel's attorneys' fees and litigation  
24 costs as set forth in Paragraph 16 below.

25                   vi.     Class Representative: The Parties agree to the designation of  
26 Plaintiff as "Class Representative." Subject to Court approval, Defendant agrees to pay Plaintiff  
27 an Enhancement Award at no additional cost to the Released Parties, and subject to Class  
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1 Representative's execution of a separate and confidential general release of all claims under  
2 California Code of Civil Procedure Section 1542. The Enhancement Award cannot exceed  
3 \$7,500.00, and is in addition to any claimed individual Settlement Award to which Plaintiff is  
4 entitled. The Enhancement Award is to be part of, and to be deducted from, the Maximum  
5 Settlement Amount. Defendant or the Claims Administrator will issue an IRS Form 1099-  
6 MISC for the Enhancement Award to the Plaintiff for Plaintiff's service as Class  
7 Representative, and Plaintiff will be responsible for correctly characterizing this compensation  
8 for tax purposes and for paying any taxes on the amounts received. Should the Court approve  
9 an Enhancement Award to the Class Representative in an amount less than that set forth above,  
10 the difference between the lesser amount approved by the Court and the Enhancement Award  
11 set forth above shall be added to the Net Settlement Amount.

12  
13 vii. Claims Administrator: The Claims Administrator will be ILYM.  
14 The fees of approximately \$8,000 for the Claims Administrator for work done shall be paid for  
15 and deducted from the Maximum Settlement Amount.

16 viii. Mailing of Settlement Awards: The Claims Administrator will  
17 cause the Settlement Awards to be mailed to the Class Members after the Settlement becomes  
18 effective as defined in Paragraph 14, 15 calendar days following the receipt of the funds from  
19 Defendant.

20 d. Enhancement Award to Plaintiff for Plaintiff's Service as Class  
21 Representative: The Claims Administrator will pay the Enhancement Award approved by the  
22 Court to Plaintiff after the Settlement becomes effective as defined in Paragraph 14 within 15  
23 following the receipt of the funds from Defendant.

24 e. Right to Rescission: If more than ten percent (10.0%) of the Settlement  
25 Class opts out of the Settlement Class by submitting valid and timely Requests for Exclusion as  
26 set forth in the Notice of Pendency of Class Action and Proposed Settlement, Defendant shall  
27 have the right (but need not) in its sole discretion to rescind and void the Settlement, before final  
28 approval by the Court, by providing written notice to Class Counsel within fifteen (15) calendar

1 days of learning that the ten (10.0%) threshold has been met. The Parties agree to cooperate to  
2 promote participation in the settlement, and the preliminary and final approval of the settlement.  
3 However, if Defendant exercises this option, Defendant shall pay any costs of Settlement  
4 administration incurred up to that date.

#### 5 CLAIMS ADMINISTRATION

6 15. The Parties have agreed to the appointment of ILYM to perform the customary  
7 duties of Claims Administrator; provided, however, the Parties shall have the right to select or  
8 substitute a different Claims Administrator by mutual agreement and approval by the Court.  
9 The Claims Administrator will mail the Notice of Pendency of Class Action and Proposed  
10 Settlement, to all Class Members. The Claims Administrator will independently review  
11 Defendant's data, based on Defendant's records, as to the number of weeks worked during the  
12 Class Period, and will calculate the amounts due to Class Members in accordance with this  
13 Stipulation of Settlement. The Claims Administrator shall report, in summary or narrative form,  
14 the substance of its findings. The Claims Administrator shall be granted reasonable access to  
15 Defendant's records to perform its duties. At the request of Defendant, and upon receipt of  
16 funds from Defendant, the Claims Administrator will issue and send out Settlement Award  
17 checks to Class Members. Tax treatment of the Settlement Awards will be as set forth herein,  
18 and in accordance with state and federal tax laws. All disputes relating to the Claims  
19 Administrator's performance of its duties shall be referred to the Court, if necessary, which will  
20 have continuing jurisdiction over the terms and conditions of this Stipulation of Settlement until  
21 all payments and obligations contemplated by this Stipulation of Settlement have been fully  
22 carried out.  
23

#### 24 ATTORNEYS' FEES AND LITIGATION COSTS

25 16. In consideration for settling this Action, in exchange for the release of claims by  
26 the Settlement Class, and subject to final approval or modification by the Court, Defendant  
27 agrees to pay Class Counsel attorneys' fees not to exceed 35 percent of the Maximum  
28 Settlement Amount, or in other words up to \$262,500.00, and attorneys' costs of approximately

1 \$7,500.00, from the Maximum Settlement Amount. Defendant will not object to Class  
2 Counsel's application for attorneys' fees and litigation costs up to these amounts. The amounts  
3 set forth above will cover all work performed and all fees and costs incurred to date, and all  
4 work to be performed and all fees and costs to be incurred in connection with the approval by  
5 the Court of this Stipulation of Settlement, the administration of the Settlement, and obtaining  
6 the final judgment. Should Class Counsel request lesser amounts, or should the Court approve  
7 lesser amounts for attorneys' fees and litigation costs, the difference between the lesser amounts  
8 and the maximum amounts set forth above shall be added to the Net Settlement Amount.

9 17. The attorneys' fees and litigation costs approved by the Court shall be paid to  
10 Class Counsel after the Settlement becomes effective as defined in Paragraph 14, within fifteen  
11 (15) calendar days of receipt of the funds by Defendant.

12 NOTICE TO THE PLAINTIFF CLASS

13 18. A Notice of Pendency of Class Action, Proposed Settlement and Hearing Date  
14 for Final Court Approval ("Notice of Pendency of Class Action and Proposed Settlement") in  
15 substantially the form attached hereto as **Exhibit A** in Spanish and English, and as approved by  
16 the Court, shall be sent by the Claims Administrator to the Class Members by first class mail.  
17 Any returned envelopes from this mailing with forwarding addresses will be used by the  
18 Claims Administrator to forward the Notice to the Class Members.

19 a. Within 15 calendar days of preliminary approval of this Settlement by the  
20 Court, Defendant shall provide to the Claims Administrator a spreadsheet of the Class  
21 Members' names, last-known home addresses, last-known home telephone numbers, Social  
22 Security Numbers or Federal Employment Identification Numbers, and weeks worked during  
23 the Class Period. The Parties agree the social security numbers will be used only by the Claims  
24 Administrator for the sole purpose of effectuating the Settlement and will not be provided to  
25 Class Counsel at any time or in any form. To the extent Class Counsel possesses or comes to  
26 possess the Class Members' contact information, Social Security Numbers and/or Federal  
27 Employment Identification Numbers, Class Counsel shall return all such information (including  
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1 copies and data or information derived therefrom) within 7 calendar days from the date the  
2 Court finally approves the Settlement, shall not retain copies of such information, and shall not  
3 maintain or use such information for any purpose. The spreadsheet provided for above, shall be  
4 based on Defendant's payroll and other business records and in a format acceptable to the  
5 Claims Administrator. Defendant agrees to consult with the Claims Administrator prior to the  
6 production date to ensure that the format will be acceptable to the Claims Administrator. The  
7 Claims Administrator will run a check of the Class Members' addresses against those on file  
8 with the U.S. Postal Service's National Change of Address List; this check will be performed  
9 only once per Class Member by the Claims Administrator. Within 30 calendar days of  
10 preliminary approval of this Settlement, the Claims Administrator will mail the Notice to Class  
11 Members.

12           b.       Notices returned to the Claims Administrator as  
13 non-delivered during the 60 calendar day period for objecting to the Settlement, or disputing the  
14 weeks worked during the Class Period, shall be resent to the forwarding address, if any, on the  
15 returned envelope. If there is no forwarding address, the Claims Administrator will do an  
16 NCOA check and will skip-trace return mail and re-mail within five (5) days of receipt using the  
17 Class Member's social security number; this search will be performed only once per Class  
18 Member by the Claims Administrator. Upon completion of these steps by the Claims  
19 Administrator, Defendant and the Claims Administrator shall be deemed to have satisfied their  
20 obligations to provide the Notice of Pendency of Class Action and Settlement to the affected  
21 member of the Settlement Class. The affected member of the Settlement Class shall remain a  
22 member of the Settlement Class and shall be bound by all the terms of the Stipulation of  
23 Settlement and the Court's Order and Final Judgment.

24           c.       The Notice of Pendency of Class Action and Settlement shall also  
25 identify the procedures for opting out of or objecting to the Settlement.

26           d.       Class Counsel shall provide to the Court, at least 16 Court days before the  
27 final fairness hearing, an initial declaration by the Claims Administrator of due diligence and  
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1 proof of mailing with regard to the mailing of the Notice of Pendency of Class Action and  
2 Proposed Settlement.

3 SETTLEMENT AWARDS

4 19. Settlement Awards shall remain valid and negotiable for one hundred eighty  
5 (180) calendar days from the date of their issuance; the Parties agree the Claims Administrator  
6 will send one reminder notice to all Class Members who have not cashed the Settlement Award  
7 thirty (30) calendar days prior to the deadline; upon the deadline to cash the Settlement  
8 Awards, the checks will automatically be cancelled by the Claims Administrator if not cashed  
9 by the Class Member within that time, at which point the Class Member's claim will be  
10 deemed void and of no further force or effect, and the Class Member's claim will remain  
11 released by the Settlement. The Settlement Awards provided to Class Members shall  
12 prominently state the expiration date or a statement that the checks will expire in one hundred  
13 eighty (180) days, or alternatively, such a statement may be made in a letter accompanying the  
14 check. Expired Settlement Awards will not be reissued, except for good cause and as mutually  
15 agreed by the Parties in writing. Any residue from uncashed Settlement Awards after the  
16 expiration date will be paid out as follows: (1) twenty-five percent to the State Treasury for  
17 deposit in the Trial Court Improvement and Modernization Fund, established in Section 77209  
18 of the Government Code, and subject to appropriation in the annual Budget Act for the Judicial  
19 Council to provide grants to trial courts for new or expanded collaborative courts or grants for  
20 Sargent Shriver Civil Counsel; (2) twenty-five percent to the State Treasury for deposit into the  
21 Equal Access Fund of the Judicial Branch, to be distributed in accordance with Sections 6216  
22 to 6223, inclusive, of the Business and Professions Code, except that administrative costs shall  
23 not be paid to the State Bar or the Judicial Council from this sum; and (3) fifty percent to the  
24 Legal Aid Society of San Bernardino County, as the *cy pres* recipient pursuant to Code of Civil  
25 Procedure section 384(b)(3)(C). Upon completion of its calculation of payments, the Claims  
26 Administrator shall provide Defendant with a report listing the amount of all payments to be  
27 made to each Class Member. Defendant, on behalf of the Released Parties, will pay to the  
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1 Claims Administrator the amount claimed under the Settlement, up to the Maximum  
2 Settlement Amount, after the Settlement becomes effective as defined in Paragraph 14, within  
3 60 days of the Effective Date. The Claims Administrator shall disburse the payments in accord  
4 with Paragraph 14, within 15 days of receipt by Defendant of the funds following the Effective  
5 Date. The Claims Administrator will be responsible for making appropriate deductions,  
6 calculating and reporting the employer payroll taxes on the Settlement Awards, paying to Class  
7 Counsel any Court-approved attorneys' fees and litigation costs, paying to the Class  
8 Representative any Court-approved Enhancement Award, paying the LWDA seventy-five  
9 percent (75%) of the amount allocated for PAGA penalties above, meeting tax reporting  
10 obligations, and for issuing the individual Settlement Awards to Class Members. Proof of  
11 payment will be filed with the Court and provided to Class Counsel and Defendant's Counsel  
12 within ninety (90) calendar days from the Effective Date.

#### 13 OPTING OUT OF / OBJECTING TO THE SETTLEMENT

14  
15 20. Opting Out of the Settlement. For those Class Members who do not wish to  
16 participate in the Settlement, such Class Members may exclude themselves by submitting a  
17 timely written request to the Claims Administrator. The written request ("Request for  
18 Exclusion") should state that he/she has received the Notice of Pendency of Class Action and  
19 Proposed Settlement, decided not to participate in the Settlement, and words to the effect that  
20 he/she desires to be excluded from the Settlement. The Request for Exclusion must also state  
21 the individual's full name, address, date of birth, and the dates he/she was worked as a non-  
22 exempt employee for Defendant in California. The Request for Exclusion must be signed, dated  
23 and mailed by First Class U.S. Mail, or the equivalent, to the Claims Administrator. All  
24 Requests for Exclusion must be postmarked and mailed to the Claims Administrator no later  
25 than 60 calendar days after the Claims Administrator mails the Notice to the Class Members.  
26 Any individual who submits a Request for Exclusion will not be allowed to object to the terms  
27 of the Settlement.  
28





1 Industrial Commission Wage Orders, Cal. Code Regs., Title. 8, section 11040, *et seq.*, and  
2 Business and Professions Code sections 17200, *et seq.*, and including all claims for alleged  
3 unpaid wages, overtime or double time wages, minimum wages, regular rate of pay, timely  
4 payment of wages at separation, meal periods and meal period premiums, rest periods and rest  
5 period premiums, off-the-clock work, business expenses, wage statements, payroll records and  
6 recordkeeping, vacation pay, failure to pay prevailing wage, failure to pay additional 401(k)  
7 benefits and/or deferred compensation benefits and/or matching benefits for payments received  
8 under the Settlement, unfair competition, unfair business practices, unlawful business practices,  
9 fraudulent business practices, conversion, class actions, representative actions, aggrieved party  
10 claims, injunctive relief, declaratory relief, accounting, punitive damages, liquidated damages,  
11 penalties of any nature (including but not limited to civil penalties, waiting-time penalties,  
12 PAGA penalties), interest, fees, costs, as well as all other claims and allegations alleged in the  
13 Action, from March 2, 2013 through the date the Court finally approves the Settlement  
14 (collectively “Released Claims”). The Parties acknowledge and agree that for purposes of the  
15 PAGA and Judgment, all Class Members were aggrieved in the same manner pursuant to Labor  
16 Code section 2698, *et seq.*, in that each Class Member allegedly suffered at least one of the  
17 alleged Labor Code violations asserted in the Complaint for which the PAGA provides an  
18 available remedy. The Parties also acknowledge and agree that, by law, non-party employees  
19 have no right to opt out of, or object to the settlement of the PAGA claims, that the settlement of  
20 PAGA claims is subject to Court approval, and a judgement with respect to PAGA claims is  
21 binding with respect to non-party employees upon Court approval, pursuant to California Labor  
22 Code section 2699(1). As such, irrespective of whether a Class Member submits a Request for  
23 Exclusion, upon approval of the Settlement, all Class Members will be issued payment for  
24 PAGA penalties as provided herein, and upon the Effective Date, shall be deemed to have  
25 released the Released Claims arising under PAGA. Expressly excluded from the release are  
26 claims for retaliation, discrimination, unemployment insurance, disability, workers  
27 compensation, and claims outside the Released Claims. In addition, the Class Representative  
28

1 and the Settlement Class, and each member of the Class who has not submitted a valid Request  
2 for Exclusion, is forever barred and enjoined from instituting or accepting damages or obtaining  
3 relief against the Released Parties for any period from March 2, 2013 to and including the date  
4 of final approval of the Settlement, relating to the Released Claims.

5 DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

6 23. Plaintiff shall promptly submit this Stipulation of Settlement to the San  
7 Bernardino County Superior Court in support of Plaintiff's Motion for Preliminary Approval  
8 and determination by the Court as to its fairness, adequacy and reasonableness; Plaintiff agrees  
9 to provide Defendant the opportunity to review before filing, Plaintiff's Motion for Preliminary  
10 Approval. Promptly upon execution of this Stipulation of Settlement, Plaintiff shall apply to the  
11 Court for the entry of an order preliminarily approving the Settlement, requesting the following:

12 a. Scheduling a fairness hearing on the question of whether the proposed  
13 Settlement, including payment of attorneys' fees and litigation costs, costs of administration and  
14 the Class Representative's Enhancement Award should be finally approved as fair, reasonable  
15 and adequate as to the members of the Settlement Class;

16 b. Certifying a Settlement Class, Plaintiff Christian Lemus as Class  
17 Representative, and Heather Davis, Amir Nayebdadash and Luke Clapp of Protection Law  
18 Group LLP as Class Counsel;

19 c. Approving as to form and content the proposed Notice of Pendency of  
20 Class Action and Proposed Settlement;

21 d. Approving the manner and method for Class Members to request  
22 exclusion from the Settlement as contained herein and within the Notice of Pendency of Class  
23 Action and Proposed Settlement;

24 e. Directing the mailing of the Notice of Pendency of Class Action and  
25 Proposed Settlement by first class mail to the Class Members; and

26 f. Preliminarily approving the Settlement subject only to the objections of  
27 Class Members and final review by the Court; and  
28

1 g. Enjoining Plaintiff and all Class Members from filing or prosecuting any  
2 other cases, claims, suits or administrative proceedings (including filing claims with the  
3 Division of Labor Standards Enforcement of the California Department of Industrial Relations)  
4 regarding the Released Claims unless and until such Class Members have filed valid Requests  
5 for Exclusion with the Claims Administrator and the time for objections with the Claims  
6 Administrator has elapsed.

7 DUTIES OF THE PARTIES FOR FINAL COURT APPROVAL

8 24. Plaintiff agrees to provide Defendant the opportunity to review before filing,  
9 Plaintiff's Motion for Final Approval of Class Action Settlement. Class Counsel agrees to  
10 submit a proposed final order and judgment, requesting the following:

- 11 a. Approving the Settlement, adjudging the terms thereof to be fair,  
12 reasonable and adequate, and directing consummation of its terms and provisions;  
13  
14 b. Approving Class Counsel's application for an award of attorneys' fees  
15 and litigation costs;  
16  
17 c. Approving the Enhancement Award to the Class Representative; and  
18  
19 d. Entering judgment in accordance with California Rules of Court, Rule  
20 3.769(h), with prejudice, and permanently barring and enjoining all members of the Settlement  
21 Class from prosecuting against Defendant, its past, present and former parent companies,  
22 subsidiaries, divisions, related or affiliated companies, including but not limited to its past,  
23 current and future shareholders, officers, directors, employees, agents, attorneys, insurers,  
24 successors and assigns, and any individual or entity who could be jointly liable with any of the  
25 foregoing, any individual or class or collective claims released herein, upon satisfaction of all  
26 payments and obligations hereunder.

27 PARTIES' AUTHORITY

28 25. The signatories hereto hereby represent that they are fully authorized to enter into  
this Stipulation of Settlement and bind the Parties hereto to the terms and conditions thereof.

MUTUAL FULL COOPERATION



1 enforce the provisions of this Stipulation of Settlement or to declare rights or obligations under  
2 this Stipulation of Settlement, the successful party or Parties shall be entitled to recover from the  
3 unsuccessful Party or Parties' reasonable attorneys' fees and litigation costs, including expert  
4 witness fees incurred in connection with any enforcement actions.

5 NOTICES

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

11 **To Plaintiff and the Settlement Class:**

12 Heather Davis, Esq.  
13 PROTECTION LAW GROUP LLP  
14 136 Main Street, Suite A  
15 El Segundo, CA 90245

16 **To Defendant:**

17 Sanjay Bansal, Esq.  
18 KAUFMAN DOLOWICH & VOLUCK LLP  
19 1755 Wilshire Boulevard, Suite 2400  
20 Los Angeles, CA 90025

21 NO PUBLIC COMMENT

22 32. The Class Representative and Class Counsel will not make any public comment  
23 about the Action or the Settlement, except by public court filings seeking preliminary and final  
24 Court approval of the Settlement; the Parties will use their best efforts to reach agreement on all  
25 Court filings. Class Counsel will take all steps necessary to ensure the Class Representative is  
26 aware of the restriction against public comment of the Settlement.

27 CONSTRUCTION

28 33. The Parties hereto agree that the terms and conditions of this Stipulation of  
Settlement are the result of lengthy, intensive arms-length negotiations between the Parties and

1 this Stipulation of Settlement shall not be construed in favor of or against any party by reason of  
2 the extent to which any party or his, her or its counsel participated in the drafting of this  
3 Stipulation of Settlement.

#### 4 CAPTIONS AND INTERPRETATIONS

5 34. Paragraph titles or captions contained herein are inserted as a matter of  
6 convenience and for reference, and in no way define, limit, extend or describe the scope of this  
7 Stipulation of Settlement or any provision of it. Each term of this Stipulation of Settlement is  
8 contractual and not merely a recital.

#### 9 MODIFICATION

10 35. This Stipulation of Settlement may not be changed, altered or modified, except in  
11 writing and signed by the Parties hereto and approved by the Court. This Stipulation of  
12 Settlement may not be discharged except by performance in accordance with its terms or by a  
13 writing signed by the Parties hereto.

#### 14 INTEGRATION CLAUSE

15 36. This Stipulation of Settlement contains the entire agreement between the Parties  
16 relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous  
17 agreements, understandings, representations and statements, whether oral or written and whether  
18 by a party or such party's legal counsel, are merged herein. No rights hereunder may be waived  
19 except in writing.

#### 20 BINDING ON ASSIGNS

21 37. This Stipulation of Settlement shall be binding upon and inure to the benefit of  
22 the Parties and the Released Parties hereto, and their respective heirs, trustees, executors,  
23 administrators, successors and assigns.

#### 24 CLASS MEMBER SIGNATORIES

25 38. It is agreed that because the members of the Class are so numerous, it is  
26 impossible or impractical to have each member of the Class execute this Stipulation of  
27 Settlement. The Notice of Pendency of Class Action and Proposed Settlement, **Exhibit A**  
28

1 hereto, will advise all Class Members of the binding nature of the release, and the release shall  
2 have the same force and effect as if this Stipulation of Settlement were executed by each  
3 member of the Class.

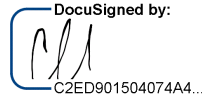
4 COUNTERPARTS

5 39. This Stipulation of Settlement may be executed in counterparts and by facsimile  
6 signatures, and when each party has signed and delivered at least one such counterpart, each  
7 counterpart, including e-mail and PDF versions, shall be deemed an original and, when taken  
8 together with other signed counterparts, shall constitute one Stipulation of Settlement binding  
9 upon and effective as to all Parties.

10 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this  
11 Joint Stipulation of Settlement and Release between Plaintiff and Defendant as of the date(s) set  
12 forth below:

13 **Plaintiff and Class Representative**

14 Dated: 3/14/2018



15 CHRISTIAN LEMUS

16 **Defendant**

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

18 SLATER, INC.

19 By: \_\_\_\_\_  
20 Blake Slater, President

1 hereto, will advise all Class Members of the binding nature of the release, and the release shall  
2 have the same force and effect as if this Stipulation of Settlement were executed by each  
3 member of the Class.

4 COUNTERPARTS

5 39. This Stipulation of Settlement may be executed in counterparts and by facsimile  
6 signatures, and when each party has signed and delivered at least one such counterpart, each  
7 counterpart, including e-mail and PDF versions, shall be deemed an original and, when taken  
8 together with other signed counterparts, shall constitute one Stipulation of Settlement binding  
9 upon and effective as to all Parties.

10 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this  
11 Joint Stipulation of Settlement and Release between Plaintiff and Defendant as of the date(s) set  
12 forth below:

13 Plaintiff and Class Representative

14 Dated: \_\_\_\_\_  
15 \_\_\_\_\_  
16 CHRISTIAN LEMUS

17 Defendant

18 Dated: 4/5/18  
19 SLATER, INC.  
20 By: \_\_\_\_\_  
21 Blake Slater, President  
22  
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