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12 SEANTELE AMELIA PERUCH and JYNELLE PANGELINAN

13  
14 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
15 COUNTY OF LOS ANGELES

16  
17 SEANTELE AMELIA PERUCH, JYNELLE  
PANGELINAN,

18 Plaintiffs,

19 vs.

20 ALCLEAR, LLC; DOES 1-100

21 Defendants.  
22

Case No.: BC708534

[Assigned for All Purposes to the Honorable Ann  
I. Jones, Department 11]

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

Complaint Filed: June 6, 2018  
FAC Filed: August 9, 2018  
Trial Date: None Set

1 **STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE:**

2 This Stipulation of Class Action and PAGA Settlement and Release (“Agreement,” “Settlement,” or  
3 “Stipulation of Settlement”) is made and entered into by and between Plaintiffs SEANTELLE AMELIA  
4 PERUCH and JYNELLE PANGELINAN (“Plaintiffs” or “Class Representatives”) on the one hand, as  
5 individuals and on behalf of all others similarly situated, and Defendant ALCLEAR, LLC (“Defendant”)  
6 on the other hand, and is subject to the terms and conditions hereof and the approval of the Court.  
7 Plaintiffs and Defendant are referenced collectively herein as the “Parties.”

8 Subject to approval of the Court, this Stipulation of Settlement shall be binding on Plaintiffs and  
9 the Settlement Class and Defendant and Released Parties (as defined in Paragraph 33 herein), and any  
10 individual or entity which could be jointly liable with Defendant, and its respective counsel, subject to the  
11 terms and conditions hereof and the approval of the Court.

12 **RECITALS**

13 1. On or around June 6, 2018, Plaintiffs filed a putative class action complaint in Los Angeles  
14 County Superior Court, Case Number BC708534, captioned *Seantelle Amelia Peruch, Jynelle Pangelinan*  
15 *v Alclear, LLC* (“the Action”). The Action sought to represent:

16 [A] class of Defendant’s ambassadors in California in a statutory period going back four  
17 years from the date this lawsuit was filed for the Third Cause of Action, three years for  
18 First Cause of Action, because the class was not paid the correct overtime and/or double  
19 time rates due to commissions, and one year for the Second Cause of Action, because the  
20 classes’ pay stubs do not comply with California Labor Code Section 226. The class  
21 consists of ambassadors whose paystubs are not comprehensible, and violate various  
22 sections of California Labor Code Section 226 and/or failed to pay the right rate of overtime  
23 and/or double time on their paystubs. Class definition: Defendant’s nonexempt California  
24 ambassadors whose paystubs have their total hours wrongfully reported, their overtime  
25 and/or double time rates were reported wrong, the number of hours reported on the  
26 paystubs do not match time records, the paystubs fail to specify the correct number of piece  
27 rates and amounts per piece in the breakdown for commission pay, their overtime and/or  
28 double time rates were reported at the wrong hourly rates of pay which created violations

1 for failure to pay the correct overtime and/or do[u]ble time rates, and for California Labor  
2 Code Section 203 penalties if their employment ended and they were not paid for all  
3 overtime and/or double time worked and/or not paid for it at the correct hourly rates within  
4 the time periods designed by California Labor Code Sections 201 and 202. Complaint, ¶  
5 6.

6 The Complaint alleged causes of action for: (1) California overtime/double time violations;  
7 (2) California Labor Code section 226 violations; (3) California Business & Professions Code section  
8 17200 violations; and (4) California Labor Code section 203 penalties.

9 2. On or around August 9, 2018, Plaintiffs filed a first amended putative class action  
10 complaint which alleged the four causes of action asserted in the original complaint, plus a newly asserted  
11 cause of action for California Labor Code section 2699 (PAGA penalties).

12 3. Defendant denies all material allegations set forth in the Action. Notwithstanding, in the  
13 interest of avoiding further costly and protracted litigation, Defendant desires to fully and finally settle the  
14 Action and all Released Claims.

15 4. Plaintiffs' counsel, Employment Lawyers Group ("Class Counsel") in the Action,  
16 diligently investigated the claims asserted against Defendant, including any and all applicable defenses  
17 and the applicable law. The investigation included, *inter alia*, the exchange of information pursuant to  
18 informal discovery methods.

19 5. On September 24, 2018, the Parties participated in private mediation before Jeffrey Krivis,  
20 Esq. (the "Mediator"), a highly respected mediator of wage and hour class actions. After a full day of  
21 negotiation, the Parties were unable to reach a resolution. However, the mediation allowed the Parties to  
22 better assess their respective strengths and weaknesses in the Action, and Mr. Krivis' supervision of the  
23 mediation and negotiations was critical in managing the expectations of the Parties and providing a useful  
24 and neutral analysis of the issues and risks to both sides. At the conclusion of mediation on September  
25 24, 2018, the Mediator provided a Mediator's Proposal. On October 19, 2018, the Mediator confirmed  
26 the Parties accepted his proposal.

27 6. At all times during the Action, both during and after mediation, the settlement discussions  
28 were conducted at arm's-length, and this Stipulation of Settlement is the result of an informed and detailed

1 analysis of both Parties' potential risks associated with continued litigation.

2 7. Based on the information produced pursuant to informal discovery, as well as Class Counsel's  
3 own independent investigation and evaluation, Class Counsel believes the settlement with Defendant, for the  
4 consideration and on the terms set forth in this Stipulation of Settlement, is fair, reasonable, and adequate and  
5 is in the best interest of the Settlement Class in light of all known facts and circumstances.

6 8. This Stipulation of Settlement is made and entered into by and between Plaintiffs,  
7 individually and on behalf of all others similarly situated, and Defendant, and is subject to the terms and  
8 conditions hereof, and to the Court's approval. The Parties expressly acknowledge that this Stipulation  
9 of Settlement Agreement is entered into solely for the purpose of compromising materially disputed claims  
10 and that nothing herein is an admission of liability or wrongdoing by Defendant. If for any reason this  
11 Stipulation of Settlement is not approved, it will be of no force or effect, and the Parties shall be returned  
12 to their original respective positions.

### 13 DEFINITIONS

14 As used in all parts of this Stipulation of Settlement (including any exhibits which are incorporated  
15 as part of the Stipulation of Settlement), the following terms have the meanings and definitions specified  
16 below, unless otherwise specified, and those meanings and definitions which are contained elsewhere in  
17 this Stipulation of Settlement will also be effective:

18 9. "Action" means the above-referenced matter, *Seantelle Amelia Peruch, Jynelle Pangelinan*  
19 *v Alclear, LLC*, Los Angeles County Superior Court Case Number BC708534.

20 10. "Attorneys' Fees and Costs" means attorneys' fees approved by the Court for Class  
21 Counsel's litigation and resolution of this Action, and all costs and expenses incurred and to be incurred by  
22 Class Counsel in the Action, including, but not limited to, costs and expenses associated with preparing the  
23 Settlement, securing the Court's approval of the Settlement, administering the Settlement, obtaining entry  
24 of a final order and judgment in this Action, and expenses for any experts. Class Counsel will collectively  
25 request attorneys' fees not to exceed Thirty Three and One Third (33 1/3%) of the Maximum Settlement  
26 Amount, or up to One Hundred Fifty Thousand Dollars (\$150,000.00). Class Counsel will also request  
27 reimbursement of the costs and expenses associated with Class Counsel's litigation and settlement of the  
28 Action, not to exceed Ten Thousand Dollars (\$10,000.00). Defendant has agreed not to oppose Class

1 Counsel's request for Attorneys' Fees and Costs, as set forth above. Any portion of the Attorneys' Fees and  
2 Costs not awarded to Class Counsel will be included with the Net Settlement Amount, to be distributed in  
3 accordance with the provisions of this Agreement.

4 11. "Class Counsel" means Employment Lawyers Group.

5 12. "Class List" means a complete list of all Settlement Class Members that Defendant will  
6 diligently and in good faith compile from its records and provide only to the Settlement Administrator within  
7 thirty (30) calendar days of the Court's Preliminary Approval of this Stipulation of Settlement. The Class  
8 List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each Settlement  
9 Class Member's full name, last known mailing address, Social Security Number, and pertinent dates of  
10 employment with Defendant.

11 13. "Class Notice" means the Notice of Class Action and PAGA Settlement and Release.

12 14. "Class Period" means the period from June 6, 2014 to the date on which the Court grants  
13 Preliminary Approval of the Settlement.

14 15. "Class Representatives" or "Plaintiffs" means Seantelle Amelia Peruch and Jynelle  
15 Pangelinan.

16 16. "Class Representative Service Awards" means the amounts to be paid to Class  
17 Representatives in recognition of their effort and work in prosecuting the Action. Specifically, Plaintiffs  
18 will request that Peruch be paid Five Thousand Dollars (\$5,000.00) and Pangelinan be paid Five Thousand  
19 Dollars (\$5,000.00), subject to Court approval, from the Maximum Settlement Amount for their services on  
20 behalf of the Settlement Class. Any portion of the Class Representative Service Awards not awarded to  
21 Class Representatives will be included with the Net Settlement Amount, to be distributed in accordance with  
22 the provisions of this Agreement.

23 17. "Court" means the Superior Court of the State of California for the County of Los Angeles.

24 18. "Defendant" means Alclear, LLC.

25 19. "Defendant's Counsel" means Jackson Lewis P.C.

26 20. "Effective Date" means the date on which the settlement embodied in this Stipulation of  
27 Settlement shall become effective after all of the following events have occurred: (i) all Parties, Class  
28 Counsel, and Defendants' Counsel have executed this Stipulation of Settlement; (ii) the Court has entered

1 a Preliminary Approval Order, preliminarily approving this Stipulation of Settlement; (iii) the Settlement  
2 Administrator has mailed the Class Notice to Settlement Class Members providing them with notice of  
3 their rights to object to the terms of the Settlement or opt out of the Settlement; (iv) the Court has held a  
4 Final Approval Hearing and entered a final Order and Judgment certifying the Settlement Class and  
5 approving this Stipulation of Settlement; (v) sixty-five (65) calendar days have passed since the Court has  
6 entered a final Order and Judgment certifying the Settlement Class and approving the Stipulation of  
7 Settlement; and (vi) in the event there are Notices of Objection filed prior to the Final Approval Hearing,  
8 which are not later withdrawn or denied, the later of the following events: (a) five (5) business days after  
9 the period for filing any appeal, writ or other appellate proceeding opposing Court's final Order and  
10 Judgment approving this Stipulation of Settlement has lapsed without any appeal, writ or other appellate  
11 proceeding having been filed; or (b) if any appeal, writ or other appellate proceeding opposing the Court's  
12 final Order and Judgment approving the Stipulation of Settlement has been filed, five (5) business days  
13 after all appeals, writs or other appellate proceedings opposing the final Order and Judgment have been  
14 finally and conclusively adjudicated leaving no further appeals, writs or other appellate proceedings  
15 available as remedy or relief without any material changes to this Agreement.

16 21. "Individual PAGA Payment" means the payment to each PAGA Class Member for his or  
17 her share of the PAGA Settlement Amount.

18 22. "Individual Settlement Payment" means the payment to each Settlement Class Member for  
19 his or her share of the Net Settlement Amount (i.e. Settlement Share), reduced by the employer's and  
20 employee's share of payroll taxes.

21 23. "Maximum Settlement Amount" means the maximum settlement amount of up to Four  
22 Hundred Fifty Thousand Dollars and Zero Cents (\$450,000.00) to be paid by Defendant to fully and finally  
23 settle and resolve the Action and Released Claims, which includes all Individual Settlement Payments to  
24 Settlement Class Members, the PAGA Settlement Amount, the Class Representative Service Awards to  
25 Plaintiffs, Settlement Administration Costs to the Settlement Administrator, employee's and employer's  
26 share of payroll taxes and other withholdings, and the Attorneys' Fees and Costs to Class Counsel. This  
27 Maximum Settlement Amount has been agreed to by Plaintiffs and Defendant based on analysis and  
28 assessment of the value of the claims of the Settlement Class. In no event will Defendant be liable for

1 more than the Maximum Settlement Amount under this Settlement.

2 24. "Net Settlement Amount" means the portion of the Maximum Settlement Amount  
3 remaining after deduction of the Court-approved Class Representative Service Awards, Settlement  
4 Administration Costs, Attorneys' Fees and Costs, and the PAGA Settlement Amount. The Net Settlement  
5 Amount will be distributed to Settlement Class Members, in accordance with the terms set forth herein.

6 25. "Notice of Objection" means a Settlement Class Member's valid and timely written objection  
7 to this Settlement. For the Notice of Objection to be valid, it must be in writing and include: (a) the objector's  
8 full name, signature, address, telephone number, and last four numbers of his or her Social Security number,  
9 (b) the case name and number of the Action, (c) a written statement of all grounds for the objection  
10 accompanied by any legal support for such objection, (d) a statement of whether the objector intends to  
11 appear at the Final Approval Hearing and whether he or she is represented by counsel, and (e) copies of any  
12 papers, briefs, or other documents upon which the objection is based. The Notice of Objection must be filed  
13 with the Court and copies thereof must also be mailed to the Settlement Administrator, on or before the  
14 Response Deadline, as judged by the file-stamp date on the filing and postmark date on the copies submitted  
15 to the Settlement Administrator.

16 26. "PAGA Class" or "PAGA Class Members" shall consist of all allegedly aggrieved  
17 employees defined in the Complaint, specifically all Settlement Class Members who were employed by  
18 Defendant during the time period between June 4, 2017, and the date on which the Court grants Preliminary  
19 Approval of the Settlement. Besides the PAGA Class, there are two additional classes based upon the  
20 class definition defined in Paragraph 1 of the Stipulation of Class Action and PAGA Settlement and  
21 Release. One class are those California nonexempt ambassadors employed "by Defendant from June 6,  
22 2014 to June 5, 2017" who shall be referred to as the "\$5.00 Class," and the second class are those  
23 employed by Defendant at any time from June 6, 2017 through the date of preliminary approval who  
24 shall be referred to as the "226 Class." Accordingly there are three sub-classes; two of which intermix.

25 27. "PAGA Period" means the period from June 4, 2017 to the date on which the Court grants  
26 Preliminary Approval of the Settlement.

27 28. "PAGA Settlement Amount" means the portion of the Maximum Settlement Amount that  
28 the Parties have agreed to allocate to Plaintiffs' Labor Code § 2698, *et seq.* claims as PAGA civil penalties.

1 Specifically, the Parties have agreed that a total of Ten Thousand Dollars (\$10,000) shall be allocated as  
2 civil penalties under PAGA, of which Seventy Five Hundred (\$7,500.00 or seventy-five percent (75%)  
3 will be paid to the California Labor & Workforce Development Agency (“LWDA Payment”), and Twenty  
4 Five Hundred (\$2,500.00 or twenty-five percent (25%) shall be paid on a *pro rata* basis to the PAGA  
5 Class Members, pursuant to PAGA and in accordance with Paragraph 51 of this Agreement.

6 29. “PAGA Workweeks” means the number of weeks of employment that each PAGA Class  
7 Member worked as an hourly-paid or non-exempt employee for Defendant within the State of California  
8 during the PAGA Period. The Settlement Administrator will calculate the number of PAGA Workweeks  
9 based on the number of Workweeks attributed to each PAGA Class Member.

10 30. “Parties” means Plaintiffs and Defendant, collectively.

11 31. “Preliminary Approval” or “Preliminary Approval Order” means the Court order granting  
12 preliminary approval of this Stipulation of Settlement.

13 32. “Released Claims” means all allegations, claims, rights, demands, liabilities and causes of  
14 action of any nature and description, against Defendant and Released Parties (as defined in Paragraph 33  
15 herein), under state, federal, or local law, whether statutory, constitutional, contractual, common law, and  
16 administrative law claims, made or which could have been made in the Action, based on the allegations  
17 in the Complaint, and amendments thereto, from June 6, 2014 through the date the Court grants  
18 Preliminary Approval, including the following claims and any corresponding or related claims under the  
19 Fair Labor Standards Act: California overtime/double time violations; California Labor Code section 226  
20 violations; California Business & Professions Code section 17200 violations, including, but not limited  
21 to, injunctive relief, penalties of any nature, interest, fees, and costs; California Labor Code section 203  
22 penalties; and California Labor Code section 2699 (PAGA penalties).

23 33. “Released Parties” means Defendant and any of its current and former parents, subsidiaries,  
24 affiliates, divisions, successors, assigns, and officers, directors, employees, and shareholders thereof, if any.

25 34. “Request for Exclusion” means a written statement submitted by a Settlement Class Member  
26 indicating a request to be excluded from the Settlement. The Request for Exclusion must be in writing,  
27 signed, and contain: (a) the Settlement Class Member’s full name, signature, address, telephone number, and  
28 the last four digits of his or her Social Security number; (b) the case name and number of the Action; and (c)



1 a clear statement that the Settlement Class Member does not wish to be included in the Settlement. The  
2 Request for Exclusion must be returned by fax or mail to the Settlement Administrator at the address and/or  
3 facsimile number specified in the Class Notice, and, must be postmarked or fax-stamped on or before the  
4 Response Deadline. The date of the fax-stamp or postmark on the return mailing envelope will be the  
5 exclusive means to determine whether a Request for Exclusion has been timely submitted. A Settlement  
6 Class Member who does not request exclusion from the Settlement will be deemed a Settlement Class  
7 Member and will be bound by all terms of the Settlement, if the Court grants final approval of the Settlement.

8 35. "Response Deadline" means the deadline by which Settlement Class Members must fax or  
9 postmark Requests for Exclusion, Notice of Objection, or Work Week Dispute to the Settlement  
10 Administrator, by which Settlement Class Members must fax or mail copies of the Notice of Objection or  
11 Request for Exclusion to the Settlement Administrator, and by which Settlement Class Members must fax  
12 or postmark any Workweek Disputes to the Settlement Administrator. The Response Deadline will be  
13 forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator,  
14 unless the 45th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be  
15 extended to the next day on which the U.S. Postal Service is open. The deadline to submit a Request for  
16 Exclusion to the Settlement Administrator, to file a Notice of Objection, or Work Week Dispute with the  
17 Settlement Administrator, or submit a Workweek Dispute to the Settlement Administrator will be  
18 extended the later of (a) fifteen (15) calendar days or (b) the Response Deadline for any Settlement Class  
19 Member who is re-mailed a Class Notice by the Settlement Administrator, unless the 15th day falls on a  
20 Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which  
21 the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement  
22 between Class Counsel and Defendant. Under no circumstances, however, will the Settlement  
23 Administrator have the authority to extend the deadline for Settlement Class Members to submit a Request  
24 for Exclusion, Notice of Objection, or Workweek Dispute.

25 36. "Settlement Administrator" means CPT Group or any other third-party class action  
26 settlement administrator agreed to by the Parties and approved by the Court for purposes of  
27 administering this settlement. The Parties represent that they do not have any financial interest in the  
28 Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could

1 create a conflict of interest. The Parties have agreed to use CPT Group as to administer this settlement.  
2 The Settlement Administrator's fee of \$12,000.00 will be paid – separately from the attorneys' costs  
3 and fees – from the Maximum Settlement Amount of Four Hundred Fifty Thousand Dollars and Zero  
4 Cents (\$450,000.00). The Maximum Settlement Amount shall be delivered to the Settlement  
5 Administrator no later than thirty (30) calendar days after final settlement approval unless there is an  
6 objector at the time of final approval, in which case, the Maximum Settlement Amount will be paid no  
7 later than fifteen (15) calendar days after the deadline to appeal expires or any filed appeal is fully and  
8 finally resolved.

9 37. "Settlement Administration Costs" means the costs payable from the Maximum Settlement  
10 Amount to the Settlement Administrator for administering this Settlement, including, but not limited to,  
11 printing, distributing, and tracking documents for this Settlement, calculating estimated Settlement Shares  
12 for each Settlement Class Member, calculating Individual PAGA Payments for each PAGA Class  
13 Member, tax reporting, distributing the appropriate payments due under the Settlement, providing  
14 necessary reports and declarations, and other duties and responsibilities set forth herein to process this  
15 Settlement, including those requested by the Parties and the Court. The Settlement Administration Costs  
16 will be paid from the Maximum Settlement Amount. The Settlement Administration Costs are currently  
17 estimated not to exceed Twelve Thousand Dollars (\$12,000.00) and to the extent actual Settlement  
18 Administration Costs are greater than this amount, such excess amount will be deducted from the  
19 Maximum Settlement Amount, subject to approval by the Court.

20 38. "Settlement Class" or "Settlement Class Member" means all Settlement Class Members who  
21 do not submit timely and valid, or otherwise accepted, Requests for Exclusion from the Settlement to the  
22 Settlement Administrator.

23 39. "Settlement Share" means the gross *pro rata* share of the Net Settlement Amount,  
24 calculated based on Workweeks, that a Settlement Class Member may be eligible to receive under the  
25 terms of this Settlement.

26 40. "Workweeks" means the number of weeks of employment that each Settlement Class  
27 Member worked as an hourly-paid or non-exempt employee for Defendant within the State of California  
28 during the Class Period. The Settlement Administrator will calculate the number of Workweeks based on the

1 pertinent dates of employment for each Settlement Class Member.

2 41. "Workweek Dispute" means a written statement that a Settlement Class Member disputes  
3 the number of Workweeks or, if applicable, PAGA Workweeks, listed on his or her Class Notice. Any  
4 such Workweek Dispute must be faxed or mailed to the Settlement Administrator by the Response  
5 Deadline described in Paragraph 35. A valid Workweek Dispute must be in writing, signed, and contain:  
6 (a) the Settlement Class Member's full name, signature, address, telephone number, and the last four digits  
7 of his or her Social Security number; (b) the case name and number of the Action; and (c) the number of  
8 Workweeks and/or PAGA Workweeks the Settlement Class Member contends is correct and any evidence  
9 supporting his or her contention. The dispute procedure is outlined in Paragraph 60 below.

### 10 CLASS CERTIFICATION

11 42. Solely for purposes of settling the Action, and not for purposes of class certification should  
12 the matter not be fully and finally settled for any reason, the Parties stipulate that the requisites for  
13 establishing class certification with respect to the Settlement Class have been met and are met. More  
14 specifically, the Parties stipulate and agree that:

15 a. The Settlement Class is ascertainable and so numerous as to make it impracticable  
16 to join all Settlement Class Members;

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

- 19 i. Whether Defendant properly compensated its employees;
- 20 ii. Whether Defendant failed to provide meal and rest breaks;
- 21 iii. Whether Defendant failed to pay penalties for missed meal and/or rest breaks;
- 22 iv. Whether Defendant failed to keep the requisite wage statements;
- 23 v. Whether Defendant failed to provide its employees with compliant wage  
24 statements;
- 25 vi. Whether Defendant failed to timely pay its employees during employment;
- 26 vii. Whether Defendant failed to timely pay its employees their final wages;
- 27 viii. Whether Defendant reimbursed it employees for business expenses;

1 ix. Whether Defendant engaged in unfair business practices affecting the  
2 Settlement Class; and

3 x. Whether the Class Representatives and the Settlement Class they purport to  
4 represent are entitled to injunctive and/or declaratory relief.

5 43. Class Representatives and Class Counsel will fairly and adequately protect the interests of  
6 the Settlement Class; should this Settlement not be approved or be terminated, this stipulation shall be null  
7 and void and shall not be admissible for any purpose whatsoever.

8 44. The prosecution of separate actions by individual members of the Settlement Class would  
9 create the risk of inconsistent or varying adjudications, which would establish incompatible standards of  
10 conduct; should this Settlement not be approved or be terminated, this stipulation shall be null and void  
11 and shall not be admissible for any purpose whatsoever.

12 45. With respect to the Settlement Class, Class Representatives believe that questions of law  
13 and fact common to the members of the Settlement Class predominate over any questions affecting any  
14 individual member in such Settlement Class, and a class action is superior to other available means for the  
15 fair and efficient adjudication of the controversy: should this Settlement not be approved or be terminated,  
16 this stipulation shall be null and void and shall not be admissible for any purpose whatsoever.

17 46. The Class Representatives' claims are typical of the claims of the members of the  
18 Settlement Class; should this Settlement not be approved or be terminated, this stipulation shall be null  
19 and void and shall not be admissible for any purpose whatsoever.

20 47. Should this Settlement not be approved or be terminated, these stipulations shall be null  
21 and void and shall not be admissible for any purpose whatsoever. The Parties will undertake good faith  
22 efforts to reach a settlement that will be approved, if satisfactory, by the Court.

23 **TERMS OF AGREEMENT**

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

26 48. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application or  
27 motion by Class Counsel for Attorneys' Fees and Costs, as follows: attorneys' fees of not more than Thirty  
28 Three and One Third Percent (33 1/3%) of the Maximum Settlement Amount or up to One Hundred Fifty

1 Thousand Dollars (\$150,000.00) plus the reimbursement of costs and expenses associated with Class  
2 Counsel's litigation and settlement of the Action, not to exceed Ten Thousand (\$10,000.00) , both of  
3 which will be paid from the Maximum Settlement Amount. Any portion of the Attorneys' Fees and Costs  
4 not awarded to Class Counsel shall be included with the Net Settlement Amount, to be distributed in  
5 accordance with the provisions of this Agreement.

6 49. Class Representative Service Awards. In recognition of their effort and work in prosecuting  
7 the Action on behalf of Settlement Class Members, Defendant agrees not to oppose or impede any application  
8 or motion for Class Representative Service Awards Service Award, in the amount of Five Thousand Dollars  
9 (\$5,000.00) to Peruch and in the amount of Five Thousand Dollars (\$5,000.00) to Pangelinan, totaling Ten  
10 Thousand Dollars (\$10,000.00). The Class Representative Service Awards, which will be paid from the  
11 Maximum Settlement Amount, will be in addition to Plaintiffs' Individual Settlement Payments paid pursuant  
12 to the Settlement. Plaintiffs agree to a separate waiver and release of all claims against the Released Parties,  
13 including a waiver of California Civil Code § 1542, and to a waiver of reemployment by the Released Parties  
14 in exchange for these payments, as set forth in Paragraphs 85 and 86. The Settlement Administrator will  
15 issue an IRS Form 1099 for the Class Representative Service Awards to Plaintiffs, and Plaintiffs shall be  
16 solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying  
17 any taxes on the amounts received. Plaintiffs agree to indemnify and hold Defendant harmless from any  
18 claim or liability for taxes, penalties, or interest arising as a result of the Class Representative Service Awards.  
19 Should the Court approve the Class Representative Service Awards to Plaintiffs in an amount less than that  
20 set forth above, the difference between the lesser amount approved by the Court and the approved Class  
21 Representative Service Awards will be added to the Net Settlement Amount, to be distributed in accordance  
22 with the provisions of this Agreement.

23 50. Settlement Administration Costs. The Settlement Administrator, CPT Group, will be paid  
24 for the reasonable costs of administration of the Settlement and distribution of payments from the  
25 Maximum Settlement Amount, which is currently estimated not to exceed Twelve Thousand Dollars  
26 (\$12,000.00). The Settlement Administration Costs, which will be paid from the Maximum Settlement  
27 Amount, will include, *inter alia*, the required tax reporting with respect to payments under the Settlement;  
28 the issuing of 1099 and W-2 IRS Forms; distributing the Class Notice to Settlement Class Members;

1 calculating Settlement Shares for Settlement Class Members and Individual Settlement Payments for  
2 Settlement Class Members; calculating Individual PAGA Payments for PAGA Class Members;  
3 distributing the Class Representative Service Awards, Attorneys' Fees and Costs, PAGA Settlement  
4 Amount, and Net Settlement Amount; and providing necessary reports and declarations. Any portion of  
5 the Settlement Administration Costs not awarded to Settlement Administrator will be added to the Net  
6 Settlement Amount, to be distributed in accordance with the provisions of this Agreement.

7       51. Individual PAGA Payments. The portion of the PAGA Settlement Amount to be paid to  
8 PAGA Class Members as Individual PAGA Payments –Twenty Five Hundred Dollars (\$2,500.00) or  
9 twenty-five percent (25%) of the total PAGA Settlement Amount – will be allocated to PAGA Class  
10 Members, as follows:

11           a. The Settlement Administrator will calculate the total number of PAGA Workweeks  
12 of each individual PAGA Class Member (“Individual PAGA Workweeks”) and the  
13 total number of PAGA Workweeks worked by all PAGA Class Members (“Total  
14 PAGA Workweeks”).

15           b. To determine each PAGA Class Member’s Individual PAGA Payment, the Settlement  
16 Administrator will use the following formula: Individual PAGA Payment =  
17  $(\$2,500.00 \div \text{Total PAGA Workweeks}) \times \text{Individual PAGA Workweeks}$ .

18 The remaining portion of the PAGA Settlement Amount – Seven Thousand Five Dollars (\$7,500.00 or  
19 seventy-five percent (75%) of the total PAGA Settlement Amount – will be paid by the Settlement  
20 Administrator to the LWDA.

21       52. Net Settlement Amount. The Net Settlement Amount will be paid to Settlement Class  
22 Members in accordance with the terms of this Agreement. If any Settlement Class Members submit timely  
23 and valid, or otherwise accepted, Requests for Exclusion, the Settlement Administrator will proportionately  
24 increase the Settlement Share of each Settlement Class Member to ensure that the entire Net Settlement  
25 Amount is distributed to Settlement Class Members.

26       53. Calculation of Settlement Shares. The Net Settlement Amount will be apportioned to PAGA  
27 Class Members based the formula described in Paragraph 51. The Net Settlement Amount will be apportioned  
28 to the “\$5.00 Class” by distributing a total flat sum of \$5.00 to each member of that class. Specific calculations

1 of Settlement Shares and Individual Settlement Payments for the, “226 Class” will be made as follows:

- 2 a. The Settlement Administrator will calculate the total number of Workweeks  
3 worked by each individual Settlement Class Member during the relevant time frame  
4 and the total number of Workweeks worked by all Settlement Class Members  
5 (“Class Workweeks”).
- 6 b. To determine each Class Member’s estimated Settlement Share, the Settlement  
7 Administrator will use the following formula: estimated Settlement Share = (Net  
8 Settlement Amount ÷ Class Workweeks) x Workweeks.
- 9 c. If any Settlement Class Members submit timely and valid, or otherwise accepted,  
10 Requests for Exclusion, the Settlement Administrator will proportionately increase  
11 the Settlement Share of each Settlement Class Member to ensure that the entire Net  
12 Settlement Amount is distributed to Settlement Class Members.
- 13 d. The Settlement Share will be reduced by any required deductions for each  
14 Settlement Class Member as set forth herein, including the employer’s and  
15 employee’s share of payroll taxes or withholdings with respect to the wage portion  
16 of the Settlement Share. The amount that results is the “Individual Settlement  
17 Payment.”

18 54. Settlement Awards Do Not Trigger Additional Benefits. Any amounts paid to Settlement  
19 Class Member under this Settlement shall be deemed to be paid to such Settlement Class Member solely  
20 in the year in which such payments are issued to the Settlement Class Member. It is expressly understood  
21 and agreed that the receipt of such payments will not entitle any Settlement Class Member to additional  
22 compensation or benefits under any company bonus, contest or other compensation or benefit plan or  
23 agreement in place during the period covered by the Settlement, nor will it entitle any Settlement Class  
24 Member to any increased retirement, 401K benefits or matching benefits, or deferred compensation  
25 benefits. It is the Parties’ intent that the Individual Settlement Payments provided for in this Settlement  
26 are the sole payments to be made by Defendant to the Settlement Class Members, under this Settlement,  
27 and that the Settlement Class Members are not entitled to any new or additional compensation or benefits  
28 as a result of having received the Individual Settlement Payments (notwithstanding any contrary language

1 or agreement in any benefit or compensation plan document that might have been in effect during the  
2 period covered by this Settlement).

3 55. Settlement Administration Process. The Parties agree to cooperate in the administration of  
4 the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred  
5 in administration of the Settlement.

6 56. Delivery of the Class List. Within thirty (30) calendar days of Preliminary Approval,  
7 Defendant will provide the Class List to the Settlement Administrator.

8 57. Notice to the Settlement Class Members. Within forty-five (45) calendar days of the Court's  
9 Preliminary Approval, the Settlement Administrator will mail a Class Notice to all Settlement Class  
10 Members via First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class  
11 List and after a search for updated addresses (as described in Paragraph 59 below).

12 58. Confirmation of Contact Information in the Class List. Prior to mailing the Class Notice,  
13 the Settlement Administrator will perform a search based on the National Change of Address Database or  
14 any other similar services available, such as provided by Experian, for information to update the Class  
15 List and correct for any known or identifiable address changes. Any Notices returned to the Settlement  
16 Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular  
17 First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will  
18 indicate the date of such re-mailing on the Notice. If no forwarding address is provided, the Settlement  
19 Administrator will promptly attempt to determine the correct address using a skip-trace search, and will  
20 then perform a single re-mailing indicating the date of the re-mailing on the Notice. Those Settlement  
21 Class Members who receive a re-mailed Notice (as a result of the Settlement Administrator locating an  
22 updated address by way of skip-trace search, forwarding address provided by the post office, or request  
23 from the Parties or Settlement Class Members), will have the later of (a) an additional fifteen (15) calendar  
24 days or (b) the Response Deadline to fax or postmark a Request for Exclusion to the Settlement  
25 Administrator or file a Notice of Objection with the Court and mail copies of Notice of Objection to the  
26 Settlement Administrator.

27 59. Class Notice. All Settlement Class Members will be mailed a Class Notice. Each Class  
28 Notice will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's



1 principal terms; (c) the Settlement Class definition; (d) the total number of Workweeks and PAGA Workweeks  
2 (if applicable) attributed to each respective Settlement Class Member; (e) each Settlement Class Member's  
3 estimated Settlement Share and Individual PAGA Payment (if applicable) and the formula for calculating  
4 them; (f) the dates which comprise the Class Period and PAGA Period; (g) instructions on how to submit  
5 valid Requests for Exclusion, Notices of Objection, or Workweek Disputes; (h) the deadlines by which the  
6 Settlement Class Member must fax or postmark Requests for Exclusion to the Settlement Administrator, file  
7 Notices of Objection with the Court and mail copies thereof to the Settlement Administrator, and/or fax or  
8 postmark a Workweek Dispute to the Settlement Administrator; (i) the Released Claims, as set forth herein;  
9 and (j) the date and time of the Final Approval Hearing.

10       60.     Workweek Dispute. Settlement Class Members will have an opportunity to dispute the  
11 Workweeks and PAGA Workweeks (if applicable) credited to them, as reflected in their Class Notices by  
12 submitting a Workweek Dispute to the Settlement Administrator by the Response Deadline. To the extent  
13 Settlement Class Members dispute the number of Workweeks or PAGA Workweeks (if applicable) to which  
14 they have been credited, Settlement Class Members are required to produce written credible evidence to the  
15 Settlement Administrator showing that such information is inaccurate. The Settlement Administrator will  
16 confer with the Parties regarding the Workweek Dispute, and the Parties will evaluate the evidence submitted  
17 by the Settlement Class Member and will make a mutually agreed upon final decision as to the number of  
18 Workweeks and/or PAGA Workweeks (if applicable) that should be applied. Absent written and credible  
19 evidence rebutting Defendant's records, Defendant's records will be presumed determinative. In the event  
20 the Parties are unable to agree, the Court will decide the Workweek Dispute.

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

1 is later, to postmark or fax a revised Request for Exclusion, Notice of Objection, or Work Week Dispute.  
2 If a Settlement Class Member responds to a cure letter by submitting a defective revised Request for  
3 Exclusion, Notice of Objection, or Work Week Dispute then the Settlement Administrator will have no  
4 further obligation to give notice of a need to cure. If the revised Request for Exclusion is not postmarked  
5 or received by fax within the Response Period or any applicable cure period, it will be deemed untimely.

6       62.    Request for Exclusion Procedures. Any Settlement Class Member wishing to opt out from  
7 this Stipulation of Settlement must sign and postmark or fax a written Request for Exclusion to the  
8 Settlement Administrator within the Response Deadline as specified in Paragraph 34. The date of fax-stamp  
9 or the postmark on the return mailing envelope will be the exclusive means to determine whether a Request  
10 for Exclusion has been timely submitted. All Requests for Exclusion will be submitted to the Settlement  
11 Administrator, who will certify jointly to Class Counsel and Defendant's Counsel all valid and timely  
12 Requests for Exclusion.

13       63.    Settlement Terms Bind All Settlement Class Members. Any Settlement Class Member who  
14 does not affirmatively opt out of this Stipulation of Settlement by submitting a timely and valid Request for  
15 Exclusion will be part of the Settlement Class and be bound by all of the terms of the Settlement, including  
16 those pertaining to the release of Released Claims against the Released Parties, as well as any judgment that  
17 may be entered by the Court if it grants final approval to the Settlement.

18       64.    Objection Procedures. To object to the Settlement, a Settlement Class Member  
19 must state in writing and sign the following: (a) the Settlement Class Member's full name,  
20 signature, address, telephone number, and the last four digits of his or her Social Security  
21 number; (b) the case name and number of the Action; and (c) a clear statement that the  
22 Settlement Class Member is objecting. The Objection must be returned by fax or mail to the  
23 Settlement Administrator at the address and/or facsimile number specified in the Class  
24 Notice, and, must be postmarked or fax-stamped on or before the Response Deadline. The  
25 date of the fax-stamp or postmark on the return mailing envelope will be the exclusive means  
26 to determine whether an Objection has been timely submitted. The Notice of Objection must be  
27 signed by the Settlement Class Member and contain all information required by this Stipulation of  
28 Settlement. The date of filing and postmark date on the mailing envelope will be deemed the exclusive

1 means for determining that the Notice\_of Objection is timely. At no time will any of the Parties or their  
2 counsel seek to solicit or otherwise encourage Settlement Class Members to submit written Notices of  
3 Objection to this Stipulation of Settlement or appeal from the Final Approval Order and Judgment. The  
4 Settlement Administrator shall promptly forward all copies of Notices of Objections that it receives, to  
5 counsel for the Parties, and shall also attach copies of the Notices of Objection as an exhibit to its  
6 declaration to be filed in connection with final approval of the Settlement. The Parties shall have the  
7 option to respond to any Notices of Objection at or before the Final Approval Hearing. Any Settlement  
8 Class Member who has submitted a timely and valid, or otherwise accepted, Request for Exclusion will  
9 be foreclosed from making any objections and seeking any adjudication or review, whether by appeal or  
10 otherwise, to this Stipulation of Settlement.

11       65.    Certification Reports Regarding Settlement. The Settlement Administrator will provide  
12 Defendant's counsel and Class Counsel a weekly report which certifies: (a) the total number of Settlement  
13 Class Members for whom the Settlement Administrator received data from Defendant, (b) the total number  
14 of Settlement Class Members to whom Class Notices were mailed, (c) the number of Settlement Class  
15 Members who have submitted valid Requests for Exclusion; (d) whether any Settlement Class Member has  
16 disputed the Workweeks credited to them, and (e) the number of Settlement Class Members who have  
17 submitted Notices of Objection. Additionally, the Settlement Administrator will provide to counsel for both  
18 Parties any updated reports regarding the administration of this Stipulation of Settlement as needed or  
19 requested.

20       66.    Employer Payroll Taxes. The employer's share of payroll taxes shall be included in the  
21 Maximum Settlement Amount. Each Settlement Share will be reduced for employee and employer's side  
22 of payroll taxes with respect to the wage portion of the Settlement Share. It is estimated that the employer's  
23 share of payroll taxes will be \$26,950.00.

24       67.    Uncashed Checks. Any Individual Settlement Payment checks issued by the Settlement  
25 Administrator to Settlement Class Members and Individual PAGA Payment checks issued by the Settlement  
26 Administrator to PAGA Class Members will be valid and negotiable for at least one hundred eighty (180)  
27 calendar days after they are issued. Those funds represented by settlement checks returned as undeliverable  
28 and those settlement checks that have not been cashed or deposited for more than one hundred eighty (180)

1 calendar days after issuance (together, “Unused Funds”), will be tendered in conformity with California  
2 Code of Civil Procedure section 384. The Parties have agreed to donate any amount remaining under this  
3 paragraph to Bet Tzedek Legal Services. The Settlement Administrator shall prepare a report regarding  
4 the distribution of the Unused Funds pursuant to California Code of Civil Procedure section 384, as  
5 ordered by the Court. The Court shall set a date by which the Parties’ counsel shall report to the Court the  
6 total amount that was actually paid to the Settlement Class Members. Thirty (30) days after the final report  
7 is filed with the Court, the Parties’ counsel shall prepare and file a stipulation and proposed order and  
8 Proposed Amended Judgment. The stipulation and proposed order shall include, inter alia, the amount of  
9 the distribution of Unused Funds, the amount of interest accrued thereon, and any other information  
10 required to be set forth pursuant to Government Code Section 68520, as incorporated into CCP Section  
11 384.5. The stipulation shall be signed by counsel for the class, defendant’s counsel, and counsel for Bet  
12 Tzedek, and shall include a statement to the effect that all interested persons are in accord with the  
13 proposed amended judgment and have no objection to the entry of an amended judgment. If there are any  
14 objections by any party, class counsel shall immediately notify the Court and the matter will be set for  
15 further hearing. Thereafter, the Court shall amend the Final Approval and Judgment to direct Defendant  
16 to pay the sum of the Unused Funds, plus any interest that has accrued thereon, to Bet Tzedek Legal  
17 Services.

18       68.     Certification of Completion. Upon completion of administration of the Settlement, the  
19 Settlement Administrator will provide a written declaration under oath to certify such completion to the  
20 Court and counsel for all Parties.

21       69.     Tax Treatment of Individual Settlement Payments and Individual PAGA Payments.

- 22             a.     For purposes of this Stipulation of Settlement, all Individual Settlement Payments  
23                     will be allocated as follows: Twenty Five Percent (25%) of each Individual  
24                     Settlement Payments will be allocated as alleged unpaid wages; Twenty Five  
25                     Percent (25%) will be allocated as alleged unpaid interest; and Fifty Percent  
26                     (50%) will be allocated as alleged unpaid penalties and alleged non-taxable  
27                     damages. The portion allocated to alleged unpaid wages will be reported on an  
28                     IRS Form W-2 and subject to reduction for the employer’s and employee’s share

1 of payroll taxes and withholdings, and the portions allocated to alleged unpaid  
2 interest, penalties, and non-taxable damages will be reported on an IRS Form-  
3 1099 by the Settlement Administrator (and will be paid without reduction for any  
4 taxes or withholdings).

5 b. For purposes of this Stipulation of Settlement, all Individual PAGA Payments  
6 will be allocated as alleged unpaid penalties and will be reported on an IRS  
7 Form-1099 by the Settlement Administrator (and will be paid without reduction  
8 for any taxes or withholdings).

9 70. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will  
10 be responsible for issuing to Class Representatives, Settlement Class Members, PAGA Class Members, and  
11 Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to  
12 this Agreement. The Settlement Administrator will also be responsible for forwarding all taxes, withholdings,  
13 and penalties, provided for by this Agreement, to the appropriate government authorities.

14 71. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect  
15 of the payments called for hereunder, and Class Representatives, Settlement Class Members, and PAGA  
16 Class Members are not relying on any statement, representation, or calculation by Defendant, Class  
17 Counsel, or by the Settlement Administrator in this regard. Class Representatives, Settlement Class  
18 Members, and PAGA Class Members understand and agree that except for Defendant's payment of the  
19 employer's portion of any payroll taxes on any amounts allocated to wages, they will be solely  
20 responsible for the payment of any taxes and penalties assessed on the payments described herein.

21 72. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF  
22 THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT  
23 OTHER THAN THE ACKNOWLEDGING PARTY, ANY "OTHER PARTY") ACKNOWLEDGES  
24 AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN  
25 COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR  
26 ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH  
27 COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON  
28 AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT

1 CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS  
2 RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX  
3 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS  
4 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE  
5 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY  
6 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR  
7 DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY  
8 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO  
9 ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT  
10 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX  
11 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON  
12 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX  
13 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED  
14 BY THIS AGREEMENT.

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

19 74. Release of Claims by Settlement Class Members.

20 a. Upon the Effective Date, Class Representatives, and each Settlement Class Member who  
21 has not submitted a timely and valid Request for Exclusion (i.e. Settlement Class  
22 Members) will be deemed to have fully, finally and forever released, settled,  
23 compromised, relinquished, and discharged all Released Claims with respect to all of the  
24 Released Parties.

25 b. Only those Settlement Class Members who cash, deposit, or otherwise negotiate their  
26 Individual Settlement Payment checks will be deemed to have opted in for purposes of  
27 the Fair Labor Standards Act ("FLSA") and to have, thereby, released the Released  
28 Parties of the Released Claims which arise under the FLSA. Individual Settlement

1 Payment checks will state the following statement, or something substantially similar that  
2 is agreed to by the Parties: “If you cash, deposit, or otherwise negotiate this check, you  
3 will be deemed to have opted in for purposes of the Fair Labor Standards Act (“FLSA”)  
4 and to have, thereby, released the Released Parties of the Released Claims which arise  
5 under the FLSA.” \

6 75. Waiver of Claims by Plaintiffs.

7 In addition to the release of Released Claims against the Released Parties made by the Settlement  
8 Class Members as set forth herein, Plaintiffs, each in their individual capacity and with respect to their  
9 individual claims only, agree to release the Released Parties from any and all claims, known and unknown,  
10 under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law,  
11 arising as of the date of execution of this Agreement including but not limited to claims arising from or  
12 related to their employment with Defendant and their compensation while an employee of Defendant  
13 (“Class Representatives’ Released Claims”). Class Representatives’ Released Claims include, but are not  
14 limited to, all claims arising from or related to the Action. Class Representatives’ Released Claims include  
15 all of the Released Claims and any other claims arising under the California Labor Code; any claim arising  
16 out of the California common law of contract; the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*, and  
17 federal common law. Class Representatives’ Released Claims also include all claims for lost wages and  
18 benefits, emotional distress, retaliation, punitive damages, and attorneys’ fees and costs arising under  
19 federal, state, or local laws for discrimination, harassment, and wrongful termination, including but not  
20 limited to, 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans with  
21 Disabilities Act, the Age Discrimination in Employment Act, and the California Fair Employment and  
22 Housing Act; California Labor Code, and the law of contract and tort. This release excludes the release of  
23 claims not permitted by law.

24 Class Representatives’ Released Claims include all claims, whether known or unknown. Even if  
25 Plaintiffs discover facts in addition to or different from those that they now know or believe to be true  
26 with respect to the subject matter of Class Representatives’ Released Claims, those claims will remain  
27 released and forever barred. Furthermore, pursuant to the terms of the Settlement, and solely with respect  
28

1 to the Released Claims, Plaintiffs expressly waive any rights or benefits available to them under the  
2 provisions of section 1542 of the California Civil Code, which provides as follows:

3       **“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE**  
4       **CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER**  
5       **FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN**  
6       **BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER**  
7       **SETTLEMENT WITH THE DEBTOR.”**

8       76.     Waiver of Reemployment by Plaintiffs. In addition to the releases made by Plaintiffs, as  
9 set forth in Paragraphs 85 and 86, Plaintiffs acknowledge that, because of circumstances unique to  
10 Plaintiffs, *inter alia*, irreconcilable differences, Plaintiffs shall not apply in the future for employment  
11 or re-employment with any of the Released Parties. Plaintiffs further agree that the Released Parties  
12 shall not be liable for any damages now or in the future because one of them refuses to employ any of  
13 the Plaintiffs for any reason whatsoever.

14       77.     Duties of the Parties Prior to Court Approval. The Parties shall promptly submit this  
15 Stipulation of Settlement to the Court in support of Plaintiffs’ Motion for Preliminary Approval and  
16 determination by the Court as to its fairness, adequacy, and reasonableness. The Parties shall apply to the  
17 Court for the entry of an order scheduling a Final Approval Hearing on the question of whether the  
18 Settlement, including Attorneys’ Fees and Costs, Class Representative Service Awards, the PAGA  
19 Settlement Amount, and Individual Settlement Payments to Settlement Class Members, should be finally  
20 approved as fair, reasonable and adequate as to the members of the Settlement Class. As part of Plaintiffs’  
21 Motion for Preliminary Approval, Plaintiff shall also apply to the Court for the entry of an order as follows:

- 22           a.     Conditionally certifying the Settlement Class for settlement purposes only;
- 23           b.     Preliminarily appointing Plaintiffs as Class Representatives;
- 24           c.     Preliminarily appointing Employment Lawyers Group as Class Counsel;
- 25           d.     Approving, as to form and content, the proposed Class Notice;
- 26           e.     Approving the manner and method for Settlement Class Members to request exclusion  
27                 from or object to the Settlement, as contained herein and within the Class Notice;
- 28           f.     Directing the mailing of the Class Notice in accordance with this Agreement;



- 1 g. Preliminarily approving the Settlement subject only to the objections of Settlement  
2 Class Members and final review by the Court; and
- 3 h. Enjoining Plaintiffs and any Settlement Class Member from filing or prosecuting  
4 any claims, suits or administrative proceedings regarding the Released Claims  
5 unless and until such Settlement Class Members have filed valid and timely  
6 Requests for Exclusion with the Settlement Administrator.

7 78. Duties of the Parties Following Final Approval. Following final approval by the Court of  
8 the Settlement provided for in this Stipulation of Settlement, Class Counsel will submit a proposed Final  
9 Approval Order and Judgment as follows:

- 10 a. Approving the Settlement, adjudging the terms thereof to be fair, reasonable and  
11 adequate, and directing consummation of its terms and provisions;
- 12 b. Certifying the Settlement Class for settlement purposes only;
- 13 c. Approving Class Counsel's application for an award of Attorneys' Fees and Costs;
- 14 d. Approving the Class Representative Service Awards;
- 15 e. At the option of the Court, setting a date when the Parties are to report to the Court  
16 the total amount that was actually paid to the Settlement Class Members; and
- 17 f. Entering judgment in this Action consistent with this Agreement and California  
18 Rules of Court, Rule 3.769.

19 79. Nullification of Stipulation of Settlement. In the event that: (a) the Court does not finally  
20 approve the Settlement as provided herein; or (b) the Settlement does not become final for any other  
21 reason, then this Stipulation of Settlement, and any documents generated to bring it into effect, will be  
22 null and void. Any order or judgment entered by the Court in furtherance of this Stipulation of Settlement  
23 will likewise be treated as void from the beginning.

24 80. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the Court for their  
25 Motion for Preliminary Approval of this Stipulation of Settlement, and Plaintiffs shall seek the entry of a  
26 Preliminary Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes  
27 only, (b) Preliminary Approval of the proposed Stipulation of Settlement, and (c) setting a date and time for  
28 the Final Approval Hearing. The Preliminary Approval Order will provide for the Class Notice to be sent

1 to all Settlement Class Members as specified herein. In conjunction with the Motion for Preliminary  
2 Approval of Class Action Settlement, Plaintiffs will submit this Stipulation of Settlement, which sets forth  
3 the terms of this Settlement, and will include the proposed Notice of Class Action Settlement document.  
4 Class Counsel will be responsible for drafting all documents necessary to obtain Preliminary Approval, but  
5 will provide drafts of all documents to Defendant's counsel at least two (2) business days prior to filing with  
6 the Court. Defendant agrees not to oppose the Motion for Preliminary Approval so long as it is consistent  
7 with the terms of this Stipulation of Settlement.

8       81. Final Approval Hearing and Entry of Judgment. Upon expiration of the Response Deadline,  
9 and with the Court's permission, a Final Approval Hearing will be conducted to determine whether Final  
10 Approval should be granted of this Stipulation of Settlement along with the amounts properly payable for (a)  
11 Individual Settlement Payments to Settlement Class Members; (b) the PAGA Settlement Amount; (c) the  
12 Attorneys' Fees and Costs to Class Counsel; (d) the Class Representative Service Awards; and (e) all  
13 Settlement Administration Costs. The Final Approval Hearing will not be held earlier than thirty (30)  
14 calendar days after the Response Deadline. Class Counsel will be responsible for drafting all documents  
15 necessary to obtain final approval of the Settlement, but will provide drafts of all documents to Defendant's  
16 counsel at least two (2) business days prior to filing with the Court. Class Counsel will also be responsible  
17 for drafting the application for attorneys' fees and costs to be heard at the Final Approval Hearing.

18       82. Termination of Settlement. Termination of the Settlement, under the terms otherwise set  
19 forth herein, shall have the following effects:

- 20           a. The Stipulation of Settlement shall be terminated and shall have no force or effect,  
21           and no Party shall be bound by any of its terms;
- 22           b. In the event the Settlement is terminated, Defendant shall have no obligation to  
23           make any payments to any party, Settlement Class Member or attorney, except that  
24           the terminating Party shall pay the Settlement Administrator for services rendered  
25           up to the date the Settlement Administrator is notified that the Settlement has been  
26           terminated;
- 27           c. The Preliminary Approval Order and any order of class certification, shall be  
28           vacated;

1 d. The Stipulation of Settlement and all negotiations, privileged statements and  
2 proceedings relating thereto shall be without prejudice to the rights of any of the  
3 Parties, all of whom shall be restored to their respective positions in the Action  
4 prior to this Stipulation of Settlement

5 e. Neither this Stipulation of Settlement, nor any ancillary documents, actions,  
6 statements or filings in furtherance of this Stipulation of Settlement (including all  
7 matters associated with the mediation) shall be offered into evidence in the Action  
8 or any other action for any purpose whatsoever.

9 83. Recitals, Definitions, and Exhibits Incorporated by Reference. The terms of this Agreement  
10 include the terms set forth in the Recitals, Definitions, any attached Exhibits, which are incorporated by this  
11 reference as though fully set forth herein, and which are integral parts of this Stipulation of Settlement.

12 84. Confidentiality. The Parties and their counsel agree that they will not issue any press releases,  
13 initiate any contact with the press, respond to any press inquiry, or have any communication with the press  
14 about the fact, amount, or terms of the Settlement unless so ordered by the Court. In addition, the Parties and  
15 their counsel agree that they will not engage in any advertising or distribute any marketing materials relating  
16 to the Settlement of this case prior to the Settlement unless so ordered by the Court, including but not limited  
17 to any postings on any websites maintained by Class Counsel. Any communication about the Settlement to  
18 Settlement Class Members prior to the Settlement being preliminarily approved by the Court will be limited  
19 to a statement that a settlement has been reached and the details will be communicated in a forthcoming  
20 Court-approved notice. Nothing set forth herein, however, shall prohibit the Parties from providing this  
21 Agreement to the Court and undertaking submission to the Labor and Workforce Development Agency in  
22 compliance with the PAGA statute, in connection with the Parties' efforts to seek the Court's approval of this  
23 Settlement. Neither Plaintiffs nor Class Counsel shall publicize this Settlement, including but not limited to  
24 communications through any social media, by holding a press conference, or by otherwise seeking to  
25 affirmatively contact the media about the Settlement, unless so ordered by the Court. If contacted by the  
26 media regarding the Settlement, Class Counsel will state "a settlement has been reached and the details will  
27 be communicated in a forthcoming Court-approved notice to the Settlement Class." Additionally, neither  
28 Plaintiffs nor Class Counsel will disparage the Settlement. A copy of this Agreement shall, if required by

1 the Court, be available to Class Members on the Class Administrator's website.

2 85. Entire Agreement. This Stipulation of Settlement and any attached Exhibits constitute the  
3 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements  
4 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code section  
5 1625 and California Code of Civil Procedure section 1856(a), which provide that a written agreement is  
6 to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and  
7 the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or  
8 contradict the terms of this Agreement.

9 86. Amendment or Modification. This Stipulation of Settlement may be amended or modified  
10 only by a written instrument signed by counsel for all Parties or their successors-in-interest, and subject  
11 to approval by the Court.

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

21 88. Signatories. It is agreed that because the members of the Settlement Class are so numerous,  
22 it is impossible or impractical to have each member of the Settlement Class execute this Stipulation of  
23 Settlement. The Notice of Class Action and PAGA Settlement will advise all Settlement Class Members  
24 of the binding nature of the release, upon final approval of the Settlement and as of the Effective Date,  
25 with respect to those Settlement Class Member who do not affirmatively opt out of this Settlement by  
26 submitting a timely and valid Request for Exclusion, and the release of Released Claims against the  
27 Released Parties will have the same force and effect as if this Stipulation of Settlement were executed by  
28 each member of the Settlement Class.

1           89.    Binding on Successors and Assigns. This Stipulation of Settlement will be binding upon,  
2 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

3           90.    California Law Governs. All terms of this Stipulation of Settlement and Exhibits hereto  
4 will be governed by and interpreted according to the laws of the State of California.

5           91.    Execution and Counterparts. This Stipulation of Settlement is subject only to the execution  
6 of all Parties. However, the Agreement may be executed in one or more counterparts. All executed  
7 counterparts and each of them, including facsimile and scanned copies of the signature page, will be  
8 deemed to be one and the same instrument.

9           92.    Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this  
10 Stipulation of Settlement is a fair, adequate, and reasonable settlement of the Action and have arrived at this  
11 Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all  
12 relevant factors, present and potential. The Parties further acknowledge that they are each represented by  
13 competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness  
14 and reasonableness of this Agreement. In addition, the Mediator may execute a declaration supporting the  
15 Settlement and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator  
16 to discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

17           93.    Invalidity of Any Provision. Before declaring any provision of this Stipulation of  
18 Settlement invalid, the Court will first attempt to construe the provision as valid to the fullest extent  
19 possible consistent with applicable precedents so as to define all provisions of this Stipulation of  
20 Settlement valid and enforceable.

21           94.    Plaintiffs' Waiver of Right to Be Excluded. Plaintiffs agree to this Stipulation of Settlement  
22 and, by signing this Stipulation of Settlement, are hereby bound by the terms herein. For good and valuable  
23 consideration, Plaintiffs further agree that they will not request to be excluded from this Stipulation of  
24 Settlement. Any such request for exclusion by Plaintiffs will be void and of no force or effect.

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

1 regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any  
2 misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees.  
3 Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall  
4 be construed as an admission or concession by Defendant of any such violations or failures to comply with  
5 any applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement, this  
6 Agreement and its terms and provisions shall not be offered or received as evidence in any action or  
7 proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any  
8 condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

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

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

15 98. Continuing Jurisdiction and Enforcement Actions. Notwithstanding the entry of  
16 judgment, pursuant to California Rules of Court, Rule 3.769(h) and California Code of Civil Procedure  
17 section 664.6, the Court shall retain exclusive jurisdiction for purposes of interpreting, implementing,  
18 and enforcing the terms of this Agreement and all orders and judgment entered in connection therewith.  
19 In the event that one or more of the Parties institutes any legal action or other proceeding against any other  
20 Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under  
21 this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or  
22 Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any  
23 enforcement actions.

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

1 100. Representation By Counsel. The Parties acknowledge that they have been represented by  
2 counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement  
3 has been executed with the consent and advice of counsel, and reviewed in full. Further, Plaintiffs and Class  
4 Counsel warrant and represent that there are no liens on this Stipulation of Settlement.

5 101. All Terms Subject to Final Court Approval. All amounts and procedures described in this  
6 Stipulation of Settlement herein will be subject to final Court approval.

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

11 To Counsel for Plaintiffs and the Settlement  
12 Class:

13 Karl Gerber, Esq.  
14 EMPLOYMENT LAWYERS GROUP  
15 13418 Ventura Boulevard  
16 Sherman Oaks, CA 91423

11 To Counsel for Defendant:

12 Elizabeth H. Murphy, Esq.  
13 Anna Choi, Esq.  
14 JACKSON LEWIS P.C.  
15 725 South Figueroa, Suite 2500  
16 Los Angeles, CA 90017

17 103. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good  
18 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this  
19 Stipulation of Settlement. **If changes are necessary the Parties' counsel may execute on their behalf.**

20 104. Integration Clause. This Stipulation of Settlement contains the entire agreement between  
21 the Parties relating to the settlement and transaction contemplated hereby, and all prior or  
22 contemporaneous agreements, understandings, representations, and statements, whether oral or written  
23 and whether by a party or such party's legal counsel, are merged herein. No rights hereunder may be  
24 waived except in writing.

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

1  
2 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this  
3 Stipulation of Settlement and Release between Plaintiff, on the one hand, and Defendant, on the other  
4 hand, as of the date(s) set forth below:

5  
6 **READ CAREFULLY BEFORE SIGNING**

7  
8 DATED March 11, 2019

PLAINTIFF SEANTELE AMELIA PERUCH

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10   
11 \_\_\_\_\_  
12 Seantelle Amelia Peruch  
13 Proposed Class Representative

14 DATED: March 11, 2019

PLAINTIFF JYNELLE PANGELINAN

15  
16 By:

17   
18 \_\_\_\_\_  
19 Jynelle Pangelinan  
20 Proposed Class Representative

21 DATED: March \_\_, 2019

DEFENDANT ALCLEAR, LLC

22 By:

23 \_\_\_\_\_  
24 Matt Levine  
25 General Counsel and Chief Privacy Officer  
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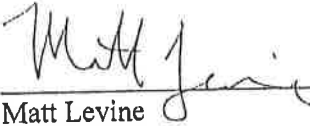


Proposed Class Representative

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4 DATED: ~~November~~ March \_\_\_\_, 2019~~8~~ — PLAINTIFF JYNELLE PANGELINAN

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7 By: \_\_\_\_\_  
8 Jynelle Pangelinan  
9 Proposed Class Representative

10  
11 DATED: ~~November~~ March \_\_\_\_, 2019~~8~~ — DEFENDANT ALCLEAR, LLC

12  
13 By:  \_\_\_\_\_  
14 Matt Levine  
15 General Counsel and Chief Privacy Officer

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DATED: March 11, 2019

EMPLOYMENT LAWYERS GROUP

By:



Karl Gerber

Attorneys for Plaintiffs  
SEANTELE AMELIA PERUCH and JYNELLE  
PANGELINAN

DATED: March \_\_\_\_, 2019

JACKSON LEWIS P.C.

By:

Elizabeth H. Murphy  
Anna Choi

Attorneys for Defendant  
ALCLEAR, LLC

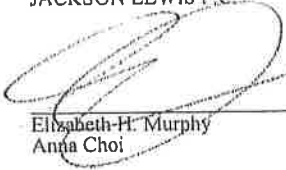
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DATED: ~~November-Murch~~, 2019<sup>8</sup> EMPLOYMENT LAWYERS GROUP

By: \_\_\_\_\_  
Karl Gerber  
Attorneys for Plaintiffs  
SEANTELE AMELIA PERUCH and JYNELLE  
PANGELINAN

DATED: ~~November-March~~ <sup>12</sup> 2019<sup>8</sup> JACKSON LEWIS P.C.

By:  \_\_\_\_\_  
Elizabeth H. Murphy  
Anita Choi  
Attorneys for Defendant  
ALCLEAR, LLC