

1 **EMPLOYMENT LAWYERS GROUP**

2 KARL GERBER, SB# 166003  
3 13418 Ventura Blvd.  
4 Sherman Oaks, CA 91423  
5 Telephone No.: (818) 783-7300  
6 Facsimile No.: (818) 995-7159

7 Attorneys for Plaintiffs, ROBERT AGUIRRE; ROBERT  
8 BEREND; JAKE BEREND; IRVING BELTRAN; KEITH  
9 BISPO

10 **LEWIS BRISBOIS BISGAARD & SMITH LLP**

11 JEFFREY S. RANEN, SB# 224285  
12 KATHERINE C. DEN BLEYKER, SB# 257187  
13 TYLER J. JOHNSON, SB# 307386  
14 633 West 5<sup>th</sup> Street, Suite 4000  
15 Los Angeles, California 90071  
16 Telephone: 213.250.1800  
17 Facsimile: 213.250.7900

18 Attorneys for Defendants MIDWEST ENVIRONMENTAL  
19 CONTROL, INC. and MEC, INC.

20  
21 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
22 COUNTY OF LOS ANGELES, CENTRAL CIVIL WEST

23 Coordination Proceeding  
24 Special Title (CRC Rule 3.550)

JUDICIAL COUNCIL COORDINATION  
CASE NO. JCCP 4797

25 MIDWEST ENVIRONMENTAL CONTROL  
26 WAGE AND HOUR CASES,

**CLASS ACTION**

27 Coordinated actions:

[Assigned for All Purposes to:  
Hon. Kenneth L. Freeman, Dept. 310]

28 *Lopez v. Midwest Environmental Control, Inc.*  
County of Los Angeles, BC527657

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

*Aguirre, et al. v. Midwest Environmental  
Control, Inc.*  
County of Kern, S1500CV282121

Action Filed: May 28, 2014

Trial Date: None Set

29 IT IS HEREBY STIPULATED AND AGREED by and between Plaintiffs Ronald Berend  
30 and Jake Berend ("Class Representatives"), on behalf of themselves and all others similarly  
31 situated to them and as defined below, and Robert Aguirre, Irving Beltran, and Keith Bispo  
32 ("Named Plaintiffs"), on behalf of themselves individually, on the one hand, and Midwest

1 Environmental Control, Inc. and MEC, Inc. (“Defendants”), on the other hand, as set forth below:

2 **I. The Conditional Nature of This Stipulation.**

3 This Stipulation and Agreement to Settle Class Action, including all associated exhibits or  
4 attachments (herein “Stipulation”), is made for the sole purpose of resolving the above-captioned  
5 matter (the “Litigation”) on a classwide basis. This Stipulation and the settlement it evidences is  
6 made in compromise of disputed claims. Because the Litigation was filed as a class action, this  
7 settlement must receive preliminary and final approval from the Court. Accordingly, Defendants  
8 and the Class Representatives and Named Plaintiffs enter into this Stipulation and associated  
9 settlement on a conditional basis. In the event that the Court does not execute and file the Order  
10 Granting Final Approval of Settlement, or in the event that the Court does not enter the Judgment  
11 (as defined below), or in the event that the associated Judgment does not become Final (as defined  
12 below) for any reason, this Stipulation shall be deemed null and void, it shall be of no force or  
13 effect whatsoever, it shall not be referred to or used for any purpose whatsoever, and the  
14 negotiation, terms, and entry of it shall remain subject to the provisions of California *Evidence*  
15 *Code* sections 1119 and 1152.

16 Defendants deny all of the claims as to liability, damages, and restitution as well as the  
17 class allegations asserted in the Litigation. Defendants have agreed to resolve this Litigation via  
18 this Stipulation, but to the extent this Stipulation is deemed void or does not take effect,  
19 Defendants do not waive, but rather expressly reserve, all rights to challenge all such claims and  
20 allegations in the Litigation upon all procedural and factual grounds, including without limitation  
21 the ability to challenge class treatment on any grounds or to assert any and all defenses or  
22 privileges. The Class Representatives, Named Plaintiffs and their counsel agree that Defendants  
23 retain and reserve these rights. In particular, the Class Representatives, Named Plaintiffs, and  
24 their counsel waive and agree not to argue or to present any argument that Defendants would be  
25 estopped from contesting class certification because it has entered into this Stipulation. In  
26 addition, the settling parties recognize and agree that under California law, which is applicable  
27 here, courts impose a lesser burden for certification for settlement classes than they do for  
28 contested classes.

1 **II. The Parties to this Stipulation.**

2 This Stipulation (with the associated exhibits) is made and entered into by and among the  
3 following parties (collectively, the "Settling Parties"): (i) the Class Representatives Ronald Berend  
4 and Jake Berend (on behalf of themselves and each of the members the class), with the assistance  
5 and approval of their counsel (the "Class Counsel"); (ii) the Named Plaintiffs Robert Aguirre,  
6 Irving Beltran, and Keith Bispo, with the assistance and approval of Class Counsel; and (iii)  
7 Defendants Midwest Environmental Control, Inc. and MEC, Inc. (hereinafter "Defendants"), with  
8 the assistance of its counsel of record in the Litigation. The Stipulation is intended by the Settling  
9 Parties to result in a Judgment and to fully, finally, and forever resolve, discharge, and settle the  
10 released claims upon and subject to the terms and conditions hereof.

11 **III. Procedural Posture.**

12 On May 28, 2014, Plaintiffs Robert Aguirre, Ronald Berend, Jake Berend, Irving Beltran,  
13 and Keith Bispo, former employees of Defendant Midwest Environmental Control, Inc., filed a  
14 class action Complaint against Defendant in Kern County Superior Court. On July 7, 2014,  
15 Plaintiffs filed their First Amended Complaint ("FAC"). In the class action FAC, Plaintiffs  
16 alleged causes of action for: (1) California Prevailing Wage Violations, (2) Breach of Third-Party  
17 Beneficiary Contracts (Written), (3) California Labor Code Section 1194 Violations,  
18 (4) Conversion, (5) Labor Code Section 201-203 Violations, (6) Labor Code Section 226  
19 Violations, (7) California Business & Professions Code 17200 Violations, and (8) California  
20 Labor Code Section 2699 Violations.

21 With the Complaint filed on May 28, 2014, the relevant period for the class is May 28,  
22 2010 to the date of Preliminary Approval. As defined by Plaintiffs and based on their claims, the  
23 class consists of:

24 [A]ll hourly California employees of Defendant, MIDWEST  
25 ENVIRONMENTAL CONTROL, INC. and/or MEC, Inc. who  
26 earned California prevailing wages including, but not limited to the  
27 correct rates as well as overtime and double time and who are  
28 beneficiaries under non-Federal prevailing wage contracts for which  
prevailing wages were not properly paid, failed to have all wages paid  
when they quit or were fired according to California Labor Code  
Sections 201 and 202, had earned wages converted by the employer  
while claiming the employer was placing the wages into a 401k for

1 the employee, whose payroll stubs failed to indicate the hourly rates  
2 of pay, whose paystubs failed to properly show deductions including  
3 deductions for a 401k, failed to accurately show how the net amounts  
4 were derived, failed to disclose how many hours were paid at  
prevailing wage opposed to how many were not, and failed to  
accurately or at all state the hourly prevailing wage the employees  
were being paid.

5 A related matter, Juan Lopez v. Midwest Environmental Control, Inc. (BC527657), was  
6 filed on November 13, 2013. The Lopez and Berend cases were deemed complex litigation and  
7 were consolidated for all purposed before Judge Kenneth Freeman on April 20, 2015. Thereafter,  
8 the Parties agreed to attempt resolution of this matter through private mediation. Both cases were  
9 stayed pending mediation. Defendants informally produced approximately 13,000 pages of  
10 employee files, documents, payroll reports, wage statements, and other information that Plaintiffs  
11 requested to evaluate their claims prior to mediation.

12 On October 7, 2015, the Parties participated in a full-day mediation before the highly  
13 experienced employment mediator Steven Rottman, Esq., but the Parties were unable to reach  
14 resolution. Plaintiffs' counsel thereafter deposed three defense witnesses and conducted additional  
15 written discovery.

16 On March 21, 2016, the Court granted the Parties request to sever the Lopez and Berend  
17 matters and Lopez dismissed his class action claims.

18 **IV. Defendants' Denial of Wrongdoing or Liability.**

19 Defendants deny all of the claims and contentions alleged by the Class Representatives and  
20 Named Plaintiffs in the Litigation, including defenses based on liability, class certification, and  
21 damages. Nonetheless, Defendants have concluded that to continue the Litigation would be  
22 protracted and expensive and that it is desirable that the Litigation be fully and finally settled in  
23 the manner and upon the terms and conditions set forth in this Stipulation.

24 In addition, Defendants have taken into account the uncertainty and risks inherent in any  
25 litigation, particularly class action litigation, which includes unique and time-consuming  
26 procedural requirements, including compliance with Chapter 6 of Title 3 of the California Rules of  
27 Court.

28 In light of the above, Defendants have determined that it is desirable and beneficial to it

1 that the Litigation be settled in the manner and upon the terms and conditions set forth in this  
2 Stipulation.

3 **V. Claims of the Class Representatives and Named Plaintiffs, and Benefits of Settlement.**

4 The Class Representatives and Named Plaintiffs believe that the claims asserted in the  
5 Litigation have merit and that evidence and case law developed to date supports the claims. The  
6 Class Representatives, Named Plaintiffs and Class Counsel recognize and acknowledge, however,  
7 the expense and length of the type of continued proceedings necessary to prosecute the Litigation  
8 against Defendants through trial and through appeals. The Class Representatives, Named  
9 Plaintiffs and Class Counsel also have taken into account the uncertain outcome and the risk of  
10 any litigation, especially in putative class actions such as this Litigation, as well as the difficulties  
11 and delays inherent in such litigation. The Class Representatives, Named Plaintiffs and Class  
12 Counsel are also mindful of the unsettled and evolving nature of the law that supports the claims  
13 and defenses to the claims asserted in the Litigation. In light of these considerations, the Class  
14 Representatives, Named Plaintiffs and Class Counsel believe that the settlement set forth in the  
15 Stipulation confers substantial benefits and is in the best interests of the Class Representatives,  
16 Named Plaintiffs and the Class.

17 **VI. Terms of Stipulation and Agreement of Settlement.**

18 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and between the  
19 Class Representatives and Named Plaintiffs, for themselves and on behalf of all others similarly  
20 situated to them and as defined below, on the one hand, and Defendants on the other hand, with  
21 the assistance of their respective counsel of record, that, as among the Settling Parties, including  
22 all members of the Settlement Class, the Litigation and the Released Claims shall be finally and  
23 fully compromised, settled, and released, subject to the terms and conditions of the Stipulation and  
24 the Judgment.

25 **A. Definitions**

26 As used in all parts of this Stipulation (including the exhibits which are incorporated as  
27 part of the Stipulation), the following terms have the meanings specified below:

28 1.1 “Accurant Skip Tracing” means the utilization of Accurant, after the Reasonable

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Address Verification, to review the accuracy of and, if possible, to update a Class Member's mailing address before the initial mailing of the Class Notice. Accurint Skip Tracing will only be utilized for the Class Members who are designated by Defendants as non-Active employees.

1.2 "Claims Administrator" means the third-party claims administration firm mutually selected by the parties, CPT Group, Inc. ("CPT").

1.3 "Class" or "Class Members" means, through the date of Preliminary Approval and going back to May 28, 2010 all hourly California employees of Defendant, MIDWEST ENVIRONMENTAL CONTROL, INC. and/or MEC, Inc. who earned California prevailing wages including, but not limited to the correct rates as well as overtime and double time and who are beneficiaries under non-Federal prevailing wage contracts for which prevailing wages were not properly paid, failed to have all wages paid when they quit or were fired according to California Labor Code Sections 201 and 202, had earned wages converted by the employer while claiming the employer was placing the wages into a 401k for the employee, whose payroll stubs failed to indicate the hourly rates of pay, whose paystubs failed to properly show deductions including deductions for a 401k, failed to accurately show how the net amounts were derived, failed to disclose how many hours were paid at prevailing wage opposed to how many were not, and failed to accurately or at all state the hourly prevailing wage the employees were being paid. The Class is composed of approximately 290 individuals as of August 4, 2016.

1.4 "Class Counsel" and "Plaintiffs' Counsel" means:

EMPLOYMENT LAWYERS GROUP  
Karl Gerber (SBN 166003)  
13418 Ventura Blvd.  
Sherman Oaks, CA 91423  
Telephone No.: (818) 783-7300  
Facsimile No.: (818) 995-7159

1.5 "Class Member Payout Fund" means the gross amount that Defendants Midwest Environmental Control, Inc. and MEC, Inc. will pay (subject to the occurrence of

1 the Effective Date) to all Participating Class Members, and is calculated by  
2 subtracting all of the following from the Gross Settlement Sum: (1) the maximum  
3 total gross amount Defendants will pay (subject to the occurrence of the Effective  
4 Date) to Class Counsel for attorneys' fees, which is \$116,666; (2) the maximum  
5 total gross amount Defendants will pay (subject to the occurrence of the Effective  
6 Date) to Class Counsel for costs and litigation expenses, which is to be no more  
7 than \$15,000 (subject to proof); (3) the maximum total gross amount Defendants  
8 will pay (subject to the occurrence of the Effective Date) to the Class  
9 Representatives and Named Plaintiffs as service awards, which is \$5,000 for  
10 Ronald Berend and \$3,000 each for Jake Berend, Robert Aguirre, Irving Beltran,  
11 and Keith Bispo; (4) the maximum total gross amount Defendants will pay (subject  
12 to the occurrence of the Effective Date) to the Claims Administrator, which shall be  
13 no more than \$26,000; and (5) the maximum total gross amount Defendants will  
14 pay (subject to the occurrence of the Effective Date) to the California Labor and  
15 Workforce Development Agency for settlement of claims under California *Labor*  
16 *Code* section 2698 et seq. which shall be \$7,500, representing seventy-five percent  
17 (75%) of \$10,000, of the total settlement amount for Private Attorneys General Act  
18 civil penalties. The Class Member Payout Fund is \$350,000.

19 1.6 "Class Period" means the following: Based on the filing date of the Complaint, the  
20 class period is from May 28, 2010 through the date of Preliminary Approval.

21 1.7 "Class Representatives" means Plaintiffs Ronald Berend and Jake Berend, the  
22 individuals designated in the Complaint to serve as the official representatives of  
23 the Class.

24 1.8 "Court" means the Superior Court of the State of California, for the County of Los  
25 Angeles, Complex Division.

26 1.9 "Effective Date" means the date on which the Court grants Final Approval of the  
27 Settlement.

28 1.10 "Experian Skip Tracing" means the utilization of Experian, after the Reasonable

1 Address Verification and Accurint Skip Tracing, to review the accuracy of and, if  
2 possible, to update a mailing address for a Class Member in the following scenario:  
3 Class Member's Class Notice is returned to the Claim Administrator as  
4 undeliverable.

5 1.11 "General Release" means, and refers to, the release in which the Class  
6 Representatives and Named Plaintiffs, in their individual capacities and with  
7 respect to their individual claims only, and in exchange for their Service Awards,  
8 agree to release the Released Parties from all claims, demands, rights, liabilities and  
9 causes of action of every nature and description whatsoever, known or unknown,  
10 asserted or that might have been asserted, whether in tort, contract, or for violation  
11 of any collective bargaining agreement, and/or any state or federal statute, rule or  
12 regulation arising out of, relating to, or in connection with any act or omission by  
13 or on the part of any of the Released Parties committed or omitted during the Class  
14 Period Date, including a waiver of Civil Code §1542. Said Section reads as  
15 follows:

16 Section 1542. [General Release – Claims Extinguished.] A general release does  
17 not extend to claims which the creditor does not know or suspect to exist in his or  
18 her favor at the time of executing the release, which if known to him or her must  
19 have materially affected his or her settlement with the debtor.

20 1.12 There is no paragraph 1.12.

21 1.13 "Gross Settlement Sum" shall mean the total settlement amount to be paid by  
22 Defendants Midwest Environmental Control, Inc. and MEC, Inc. pursuant to the  
23 settlement (including attorneys' fees and costs to Class Counsel, PAGA Penalties  
24 (as defined below), settlement administration costs, the Class Representative and  
25 Named Plaintiffs service awards, and distributions to Participating Class Members),  
26 which amount is \$350,000. Defendants' share of payroll taxes (e.g., UI, ETT,  
27 Social Security and Medicare taxes) is included in the \$350,000 Gross Settlement  
28 Sum. The Gross Settlement Sum shall cover all expenses associated with the



1 settlement including the following items and only the following items: (1) the Class  
2 Payout Fund which is the maximum total gross amount that Defendants will pay  
3 (subject to the occurrence of the Effective Date) to the Participating Class  
4 Members; (2) the maximum total gross amount Defendants will pay (subject to the  
5 occurrence of the Effective Date) to Class Counsel for attorney fees, which is  
6 \$116,666; (3) the maximum total gross amount Defendants will pay (subject to the  
7 occurrence of the Effective Date) to Class Counsel for costs and litigation  
8 expenses, which is not to exceed \$15,000 (subject to proof); (4) the maximum total  
9 gross amount Defendants will pay (subject to the occurrence of the Effective Date)  
10 to the Class Representatives and Named Plaintiffs as service awards, which is  
11 \$5,000 for Ronald Berend and \$3,000 each for Jake Berend, Robert Aguirre, Irving  
12 Beltran, and Keith Bispo; and (5) the maximum total gross amount Defendants will  
13 pay (subject to the occurrence of the Effective Date) to the Claims Administrator,  
14 which shall be no more than \$26,000; and (6) the maximum total gross amount  
15 Defendants will pay (subject to the occurrence of the Effective Date) to the  
16 California Labor and Workforce Development Agency for settlement of claims  
17 under California *Labor Code* section 2698, *et seq.*, which shall be \$7,500.

18 1.14 "Individual Settlement Amount" shall mean the total gross amount due to an  
19 individual Participating Class Member, inclusive of pre- and post-judgment interest  
20 and penalties (allocated 70% to interest and penalties and 30% to wages), which  
21 shall be calculated by multiplying the Class Member Payout Fund by a fraction, the  
22 numerator of which is the total number workweeks the Participating Class Member  
23 worked during the Class Period and the denominator of which is the total number  
24 of workweeks in the Class Period worked by all Participating Class Members.

25 1.15 "Judgment" means the judgment to be rendered by the Court pursuant to this  
26 Stipulation, substantially in the form attached hereto as Exhibit 2. This Judgment  
27 shall be a judgment for purposes of California Rule of Court 3.771(a).

28 1.16 "Labor and Workforce Development Agency" or "LWDA" means the California

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agency that pursuant to California *Labor Code* section 2698, *et seq.* shall receive an amount equal to seventy-five percent (75%) of the amount paid for PAGA Penalties in settlement of the Litigation.

1.17 “Last Known Address” means the most recently recorded mailing address for a Class Member, such information is contained in employment, payroll, or personnel records maintained by Defendants.

1.18 The “Litigation” shall mean the lawsuit pending in the Court presently styled *Aguirre, et al. v. Midwest Environmental Control, Inc.*, Judicial Council Coordination Case No. JCCP 4797, filed on May 28, 2014.

1.19 “Midwest Environmental Control, Inc.” and MEC, Inc. means the Defendants in the Litigation and employer of the present and former employees who comprise the Class.

1.20 The “Non-Settlement Class” or “Non-Settlement Class Member(s)” or “Member of the Non-Settlement Class” consists of or means the group of all Class Members who properly and timely elect to Opt Out (as defined below) of the settlement by requesting exclusion from the class action settlement pursuant to Paragraph 3.3.4 of the Stipulation.

1.21 “Notice of Proposed Class Action Settlement” or “Class Notice(s)” means a notice titled “Notice of Proposed Class Action Settlement” to be approved by the Court, substantially in the form attached hereto as Exhibit 1. The “Notice of Proposed Class Action Settlement” shall constitute the class notice pursuant to California Rule of Court 3.769(f) and, once approved by the Court, shall be deemed compliant with California Rule of Court 3.766(d).

1.22 “Notice Mailing Deadline” means the deadline for the Claims Administrator to mail the Class Notices, which shall be no later than thirty (30) calendar days after the Preliminary Approval Date.

1.23 “Objection Deadline” means the deadline for a Class Member to object to the settlement, including disputing the number of workweeks listed on the Class Notice

1 through a written statement which date shall be indicated on the Class Notices  
2 mailed by the Claims Administrator and which shall be postmarked no later than  
3 thirty (30) calendar days after the Notice Mailing Deadline.

4 1.24 “Opt Out” or “Opt Outs” means a completed request to be excluded or opt-out  
5 signed by a Class Member indicating he or she wishes to be excluded from the  
6 Settlement Class and in the manner specified in the Class Notice, substantially in  
7 the form attached hereto as Exhibit 4, no later than the Opt-Out Deadline.

8 1.25 “Opt-Out Deadline” means the deadline for a Class Member to Opt Out of the  
9 settlement, which date shall be indicated on the Class Notices mailed by the Claims  
10 Administrator and which shall be postmarked no later than thirty (30) calendar days  
11 after the Notice Mailing Deadline.

12 1.26 “Order of Final Approval and Entry of Judgment” or “Order Granting Final  
13 Approval of Settlement and Entry of Judgment” shall mean the order and judgment  
14 to be entered by the Court titled “Order Determining Good Faith and Granting  
15 Final Approval of Settlement,” and “Judgment,” substantially in the forms attached  
16 hereto as Exhibit 2. The “Judgment,” shall constitute approval pursuant to  
17 California Rule of Court 3.769(a).

18 1.27 “PAGA Penalties” means the penalties pursuant to California *Labor Code* section  
19 2698, *et seq.*, the *Labor Code* Private Attorneys General Act of 2004 (“PAGA”),  
20 that Settling Parties have agreed is a reasonable sum to be paid in settlement of the  
21 PAGA claims included in the Litigation, which is \$10,000. PAGA Penalties are to  
22 be approved by the Court pursuant to *Labor Code* section 2699 and are to be  
23 distributed as follows: seventy-five percent (75%) to the LWDA and twenty-five  
24 percent (25%) to aggrieved employees.

25 1.28 “Participating Class Member” means all non-exempt employees of Midwest  
26 Environmental Control, Inc. in California from May 28, 2010 through the date of  
27 Preliminary Approval who do not Opt Out of the settlement.

28 1.29 “Person” means a natural person.

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- 1.30 “Plaintiffs” shall mean Robert Aguirre, Ronald Berend, Jake Berend, Irving Beltran, and Keith Bispo, the named plaintiffs in this Litigation.
- 1.31 “Preliminary Approval Date” shall mean the date on which the Court grants preliminary approval of the settlement.
- 1.32 “Preliminary Approval Order” or “Order Granting Preliminary Approval of the Settlement and Setting a Settlement Fairness Hearing” shall mean an order to be executed and filed by the Court titled “Order Granting Preliminary Approval of the Settlement and Setting a Settlement Fairness Hearing,” substantially in the form attached hereto as Exhibit 3. This Preliminary Approval Order shall constitute an order certifying provisional classes for settlement purposes only pursuant to California Rule of Court 3.769(d) and an order setting a final approval/fairness hearing pursuant to California Rule of Court 3.769(e).
- 1.33 “Pro Rata Share of Earnings” shall mean a fraction of which the numerator is the pertinent Participating Class Member’s number of workweeks during the Class Period and the denominator is the aggregate amount of workweeks for all Participating Class Members during the Class Period.
- 1.34 “Reasonable Address Verification” shall mean the utilization of the National Change of Address Database maintained by the United States Postal Service to review the accuracy of and, if possible, update a mailing address.
- 1.35 “Released Claims” is defined as follows: Participating Class Members shall fully and finally release and discharge the Released Parties of all claims, rights, demands, liabilities, damages, attorneys’ fees, costs, and causes of action arising from or related to the Claims litigated in the Action, including statutory or common law claims for wages, penalties, interest, attorneys’ fees, litigation costs, restitution, equitable relief, or other relief under California Business & Professions Code § 17200, et seq., based on the following categories of allegations as set forth in the operative complaint: (1) California Prevailing Wage Violations, (2) Breach of Third-Party Beneficiary Contracts (Written), (3) California Labor Code Section

1 1194 Violations, (4) Conversion, (5) Labor Code Section 201-203 Violations, (6)  
2 Labor Code Section 226 Violations, (7) California Business & Professions Code  
3 17200 Violations, and (8) California Labor Code Section 2699 Violations,  
4 attorneys' fees or litigation costs, and all other claims that were or could have been  
5 asserted based on the facts alleged in the Action. In addition to the Released  
6 Claims, the Class Representatives and Named Plaintiffs shall execute a General  
7 Release, as defined in Paragraph 1.11. The release does not extend to any claims  
8 not alleged in the operative Complaint and specifically excludes claims for  
9 workers' compensation, personal injuries, unemployment insurance, state disability  
10 compensation, claims under the Employment Retirement Income Security Act of  
11 1974, previously vested benefits under any Employer-sponsored benefits plan,  
12 wrongful termination, discrimination, retaliation, and harassment including but not  
13 limited to those arising under the Age Discrimination In Employment Act, the  
14 California Fair Employment and Housing Act, Title VII of the Federal Civil Rights  
15 Act of 1964, and/or Federal Civil Rights Act of 1991, or any similar state or federal  
16 laws, the California Family Rights Act, the Federal Family Medical Leave Act, the  
17 California Pregnancy Leave Law, or similar state or federal laws, the Federal Equal  
18 Pay Act of 1963, violations of the Americans with Disabilities Act of 1990 or  
19 violations of any other state or federal law, rule or regulation concerning  
20 discrimination, retaliation and/or harassment.

21 1.36 "Settlement Class" or "Settlement Class Members" or "Members of the Settlement  
22 Class" means any, or collectively all Class Members who do not Opt Out of the  
23 settlement by submitting Opt Outs pursuant to Paragraph 3.3.4 and, thus, become  
24 bound by the Judgment.

25 1.37 "Final Approval Hearing" or "Fairness and Good Faith Determination Hearing" or  
26 "Settlement Fairness Hearing" means a hearing set by the Court to take place on or  
27 about the Final Approval Hearing Date for the purpose of: (i) determining the  
28 fairness, adequacy, and reasonableness of the Stipulation and associated settlement

1 pursuant to class action procedures and requirements; (ii) determining the good  
2 faith of the Stipulation and associated settlement; and (iii) entering Judgment. This  
3 Final Approval Hearing is intended to be the settlement hearing or final approval  
4 hearing required under California Rule of Court 3.769(a).

5 1.38 “Settling Parties” means Defendants Midwest Environmental Control, Inc. and  
6 MEC, Inc. and the Named Plaintiffs on behalf of themselves and Class  
7 Representatives on behalf of themselves and all Participating Class Members.

8 1.39 “Defendant Releasees” means Defendants, their respective parent companies,  
9 subsidiaries, affiliates, current and former management companies, shareholders,  
10 members, agents (including without limitation, any investment bankers,  
11 accountants, insurers, reinsurers, attorneys and any past, present or future officers,  
12 directors and employees) predecessors, successors, and assigns.

13 1.40 “Stipulation” means this agreement, the Stipulation and Agreement to Settle Class  
14 Action and all of its attachments and exhibits, which the Settling Parties understand  
15 and agree sets forth all material terms and conditions of the Settlement between  
16 them, and which is subject to Court approval.

17 1.41 “Updated Address” means a mailing address that was updated via a Reasonable  
18 Address Verification, via an updated mailing address provided by the United States  
19 Postal Service or a Class Member, via Accurant and/or Experian Skip Tracing, or  
20 via a Locator Service.

21 1.42 “Workweeks” means the workweek established by Midwest Environmental  
22 Control, Inc. and worked by the Class Members.

23 **B. The Settlement**

24 **2.**

25 2.1 *Settlement Amount, Timing of Payments, Tax Reporting Obligations, and Other*  
26 *Obligations of Defendants and the Claims Administrator.*

27 2.1.1. The total Gross Settlement Sum shall be Three Hundred Fifty Thousand  
28 Dollars (\$350,000). Defendants’ share of payroll taxes (e.g., UI, ETT, Social Security, and

1 Medicare taxes) is part of the \$350,000 Gross Settlement Sum.

2           2.1.2. The Gross Settlement Sum will be paid as follows: Defendants shall  
3 deposit the required maximum payout of \$350,000.00 with the Settlement Administrator in four  
4 separate payments: (1) one payment in the amount of \$50,000.00 within 14 days of Plaintiffs filing  
5 a Motion for Preliminary certification; (2) one payment of \$100,000.00 within one year of the first  
6 payment; (3) one payment of \$100,000.00 within one year of the second payment; and (4) one  
7 payment of \$100,000.00 within one year of the third payment. If the Court does not grant either  
8 preliminary approval or final approval of this settlement, all settlement funds deposited by  
9 Defendants with the Settlement Administrator to date shall be refunded to Defendants within (14)  
10 days of the Court's order declining to approve the settlement, and Defendants shall be excused  
11 from making any further settlement payment installments. If the Court's approval of this  
12 settlement is overturned on appeal, all settlement funds deposited by Defendants with the  
13 Settlement Administrator to date shall be refunded to Defendants within (14) days of the Court's  
14 order declining to approve the settlement, and Defendants shall be excused from making any  
15 further settlement payment installments. The Settlement Administrator shall distribute the  
16 Settlement annually in accordance with this Agreement upon receipt of the funds from  
17 Defendants, after deducting from each of the four installments one-quarter of its settlement  
18 administration fees, Class Counsel's attorneys' fees and costs, and the Class Representatives and  
19 Named Plaintiffs' service awards as described in paragraph 2.1.4.

20           2.1.3. The Claims Administrator will administer the settlement by distributing the  
21 Class Notice, which it will translate into Spanish, performing skip traces, receiving written  
22 statements disputing the number of workweeks and opting out of the settlement, adjudicating  
23 Class Members' disputes over dates during the Class Period, providing Class Counsel and counsel  
24 for Defendants with updates on the status (including Class Member names and percentages) of  
25 Opt Outs, and handling inquiries about the calculation of the Individual Settlement Amounts. The  
26 actions of the Claims Administrator shall be governed by the terms of this Stipulation. The  
27 Settling Parties, through their counsel, may provide written information needed by the Claims  
28 Administrator pursuant to the Stipulation.

1                   2.1.4. The timing of distribution of the Gross Settlement Sum shall occur as  
2 follows: (1) Settlement Administrator will pay the Class Representatives and Named Plaintiffs  
3 Service Award, as described in subsection (a) below, of up to \$5,000 for Ronald Berend and  
4 \$3,000 each for Jake Berend, Robert Aguirre, Irving Beltran, and Keith Bispo in pro-rata shares  
5 with each annual distribution to the Class with these funds proportionately divided based upon  
6 their total share of available deposited funds each time Defendants make a payment to the  
7 Settlement Administrator; (2) Class Counsel will be paid their actual costs, as described in  
8 subsection (b) below, of up to Fifteen Thousand Dollars (\$15,000) in pro-rata shares with each  
9 annual distribution to the Class proportionately divided based upon their total share of available  
10 deposited funds each time Defendants make a payment to the Settlement Administrator; (3) the  
11 claims administrator will disburse the claims administration fee, as described in subsection (c)  
12 below, of up to Twenty Six Thousand Dollars (\$26,000.00) as follows: Six Thousand Five  
13 Hundred Dollars (\$6,500) with the first annual distribution to the Class, Six Thousand Five  
14 Hundred Dollars (\$6,500) with the second annual distribution to the Class, Six Thousand Five  
15 Hundred Dollars (\$6,500) with the third annual distribution to the Class, and Six Thousand Five  
16 Hundred Dollars (\$6,500) with the fourth annual distribution to the Class; (4) as soon as the  
17 Claims Administrator receives the fourth payment from Defendants, the claims administrator will  
18 disburse \$7,500 to the LWDA for PAGA Penalties, which represents the seventy-five percent  
19 (75%) share of the \$10,000 portion of the Gross Settlement Sum allocated to PAGA and payable  
20 to the LWDA pursuant to *Labor Code* section 2699, *et seq.*; (5) distributions to eligible Settlement  
21 Class Members will occur annually, with the first distribution being made fourteen (14) days after  
22 the Final Approval if there are no objections, or, if there are objections, five (5) days after the  
23 expiration of the appeals deadline, and the second through fourth distributions being made  
24 fourteen (14) days after the Settlement Administrator receives the second through fourth payment  
25 from Defendants; and (6) Attorneys' fees, as described in subsection (b) below, will be paid pro  
26 rata with each annual distribution to eligible Settlement Class Members.

27                   (a) Named Plaintiffs Service Award: Subject to Court approval, the Named  
28                   Plaintiffs and Class Representatives shall receive a service award as follows:



1 \$5,000 for Ronald Berend and \$3,000 each for Jake Berend, Robert Aguirre, Irving  
2 Beltran, and Keith Bispo. Defendants agree not to oppose the amount of the  
3 Named Plaintiffs' and Class Representatives' service award. Since it is the intent  
4 of the Settling Parties that the service award to the Named Plaintiffs and Class  
5 Representatives is for their service to the Class Members, and not wages, the  
6 Claims Administrator will not withhold any taxes from the service award. The  
7 Claims Administrator will report the service award on a Form 1099, which it will  
8 provide to the Named Plaintiffs and Class Representatives and to the pertinent  
9 taxing authorities.

10 (b) Attorneys' Fees and Litigation Costs: Class Counsel shall submit their  
11 Application for Award of Attorneys' Fees and Costs to the Court before the Final  
12 Approval Hearing. Class Counsel will seek attorneys' fees and costs in the amount  
13 of \$116,666, and actual costs up to \$15,000.00, subject to proof and court approval.  
14 Class Counsel shall serve Defendants with copies of all documents in support of  
15 their Application for Award of Attorneys' Fees and Costs. Defendants agree not to  
16 oppose the Application for Award of Attorneys' Fees and Costs. The Claims  
17 Administrator will report the attorneys' fees and costs award on a Form 1099,  
18 which it will provide to Class Counsel and to the pertinent taxing authorities.

19 (c) Claims Administration Costs: Subject to Court approval, the Claims  
20 Administrator shall be paid an amount which is expected to not exceed \$26,000 for  
21 all fees and costs relating to the administration of this settlement, including but not  
22 limited to all the duties set forth in Paragraph 2.1.3, all tax document preparation,  
23 custodial fees and accounting fees, all costs and fees associated with preparing,  
24 issuing, and mailing any and all Class Notices, all costs and fees associated with  
25 computing, reviewing, and paying distributions from the Gross Settlement Sum, all  
26 costs and fees associated with preparing any tax returns and any other filings  
27 required by any governmental taxing authority or agency, all costs and fees  
28 associated with preparing any other notices, reports, or filings to be prepared in the

1 course of administering disbursements from the Gross Settlement Sum, and any  
2 other costs and fees incurred and/or charged by the Claims Administrator in  
3 connection with the execution of its duties under this Stipulation.

4 2.1.5. No later than thirty (30) calendar days after each annual payment of funds  
5 to the Claims Administrator, Defendants, through the Claims Administrator, and according to the  
6 terms, conditions and procedures set forth in Paragraph 2.1.6 of this Stipulation, shall pay to each  
7 Participating Class Member their Individual Settlement Amount. Each of the payments to  
8 Participating Class Members will be inclusive of interest and penalties, including PAGA and wage  
9 statement penalties, and will be allocated as follows: 30% to satisfaction of claims for unpaid  
10 wages; 70% to the satisfaction of claims for interest and penalties. All settlement payments for  
11 wages shall be subject to required withholdings and deductions as W-2 wage payments. With  
12 regard to payments in settlement of claims for penalties and interest, these payments shall be  
13 issued through a 1099 form and not subject to withholdings or deductions.

14 2.1.6. The Claims Administrator shall compute the Individual Settlement Amount  
15 for the Participating Class Members as follows:

16 (a) The payment of the Individual Settlement Amounts will be  
17 calculated by using the formula set forth in Paragraph 1.14.

18 (b) The Settling Parties agree that the above-described formula and  
19 distribution methods are reasonable and fair in light of the Settling Parties'  
20 investigation of the claims of the Class, and the relative degree of  
21 uncertainty, risk of outcome of further litigation, and difficulties and delays  
22 inherent in such litigation of these claims.

23 2.1.7. Defendants, through the Claims Administrator, will report each payment  
24 made on the Gross Settlement Sum to government authorities including the Internal Revenue  
25 Service as required by law, and it shall make all required deductions and/or withholdings.  
26 Defendants, through the Claims Administrator, shall report payments for penalties and interest to  
27 the Internal Revenue Service (and other relevant governmental agencies) as non-wage income in  
28 the year of payment on a Form 1099, or similar form issued to the Participating Class Members in

1 question.

2                   2.1.8. To the extent that there are excess funds from uncashed checks or Class  
3 Members who cannot be located, the parties agree that such funds will escheat to the State of  
4 California's Unclaimed Property Fund in the name of the Class Member.

5

6           **C.    Procedure for Approval and Implementation of Settlement.**

7 3.

8           3.1    *Preliminary Approval.*

9                   3.1.1. The Class Representatives, through their counsel of record, shall file this  
10 Stipulation with the Court and will apply for an unopposed Preliminary Approval Order approving  
11 of this Stipulation pursuant to California Rule of Court 3.769(c). Via this Stipulation, the Class  
12 Representatives request that the Court enter the Preliminary Approval Order (Exhibit 3), thereby  
13 approving the distribution of the Class Notice, and scheduling the Settlement Fairness Hearing  
14 (pursuant to California Rule of Court 3.769(e)) for purposes of determining the good faith of the  
15 settlement, granting final approval of the settlement, granting final approval of this Stipulation,  
16 and obtaining entry of Judgment. Via this same application, the Class Representatives, through  
17 Class Counsel, shall, pursuant to California Rule of Court 3.769(b), advise the Court of the  
18 agreements set forth in this Stipulation regarding the amount of Class Counsel's attorneys' fees  
19 and costs and the Class Representatives service awards sought.

20                   3.1.2. Failure of the Court to enter the Preliminary Approval Order in its entirety  
21 or in a substantially similar form will be grounds for Defendants to terminate the settlement and  
22 the terms of this Stipulation pursuant to Paragraph 3.6.1; however, pursuant to Paragraph 3.6.1,  
23 the Settling Parties are to take all reasonable steps to cure any deficiencies so as to avoid any  
24 termination of the settlement.

25           3.2    *Notice to Class Members.*

26                   3.2.1. If, by entering the Preliminary Approval Order, the Court provides  
27 authorization to send the Class Notices, the Claims Administrator will facilitate the mailing of the  
28 Class Notice to all Class Members, no later than thirty (30) calendar days after the Preliminary

1 Approval Date. The Class Notices shall be mailed via first class mail through the United States  
2 Postal Service, postage pre-paid. The envelope containing the Class Notice shall bear the  
3 following phrase in bold type, ¼ inch below the return address or ¼ inch above the addressee's  
4 address: RETURN SERVICE REQUESTED. The envelope shall also bear the following phrase  
5 in the bottom left hand corner: IMPORTANT – MIDWEST ENVIRONMENTAL CONTROL,  
6 INC. CLASS ACTION SETTLEMENT INFORMATION. PLEASE OPEN IMMEDIATELY.  
7 The mailing enclosing the Class Notice will not contain any other materials. The Class Notice and  
8 its envelope or covering shall be marked to denote the return address of the Claims Administrator  
9 as set forth at the top of the Response.

10           3.2.2. Defendants shall prepare a list, in an electronically usable format, for the  
11 Claims Administrator containing for each Class Member, to the extent Defendants have such  
12 information, the following: the first, last, and middle name, Last Known Address, social security  
13 number, dates of employment as a hourly, non-exempt employee (whether the Class Member is an  
14 active or former employee). By approving this settlement, the Court will be deemed to have  
15 authorized Defendants to provide the Claims Administrator with this information, including the  
16 social security numbers of the Class Members. Defendants shall provide this list to the Claims  
17 Administrator and Class Counsel within twenty (20) calendar days of the Preliminary Approval  
18 Date.

19           3.2.3. For the Class Representatives and Named Plaintiffs, the Claims  
20 Administrator shall mail the Class Notice to the Class Representatives and Named Plaintiffs in  
21 care of Class Counsel at Class Counsel's address.

22           3.2.4. For Class Members who have been designated by Defendants on the Class  
23 List as an active employee, the Claims Administrator shall mail the Class Notice to the Last  
24 Known Address provided by Defendants. No Reasonable Address Verification or Accurint Skip  
25 Tracing will be conducted on Class Members designated by Defendants as active, as the Settling  
26 Parties agree that Defendants should have the most updated address information for these Class  
27 Members.

28           3.2.5. For Class Members who have been designated as former employees by

1 Defendants, prior to mailing the Class Notice, the Claims Administrator shall undertake a  
2 Reasonable Address Verification and Accurint Skip Tracing to ascertain the accuracy of the Last  
3 Known Address of the Class Member. To the extent this process yields an Updated Address, that  
4 Updated Address shall replace the Last Known Address and be treated as the new Last Known  
5 Address for purposes of this Stipulation and for Class Notice mailing.

6 3.2.6. If a Class Member is known to be deceased, the Class Notice for that  
7 deceased Class Member shall be mailed to the Last Known Address (or Updated Address, if  
8 applicable) of the legal representative of the deceased Class Member's estate, to the extent known.

9 3.2.7. Unless the Claims Administrator receives a Class Notice returned from the  
10 United States Postal Service for reasons discussed below in this paragraph, that Class Notice shall  
11 be deemed mailed and received by the Class Member to whom it was sent five (5) days after  
12 mailing. In the event that subsequent to the first mailing of a Class Notice and prior to the Opt  
13 Out Deadline, that Class Notice is returned to the Claims Administrator by the United States  
14 Postal Service because the address of the recipient is no longer valid, i.e., the envelope is marked  
15 "Return to Sender," the Claims Administrator shall undertake an Experian Skip Tracing on the  
16 Class Member to attempt to ascertain the current address of the particular Class Member in  
17 question and, if such an address is ascertained, the Claims Administrator will re-send the Class  
18 Notice within three (3) business days of receipt of the returned Class Notice. In either event, the  
19 Class Notice shall be deemed received once it is mailed for the second time. In the event that  
20 subsequent to the first mailing of a Class Notice and on or after the Opt Out Deadline, that Notice  
21 is returned to the Claims Administrator by the United States Postal Service because the address of  
22 the recipient is no longer valid, i.e., the envelope is marked "Return to Sender," the Claims  
23 Administrator shall be required to take no further action with that Class Notice and it shall be  
24 deemed to have been delivered. In the event that subsequent to the first mailing of a Class Notice  
25 and prior to the Opt Out Deadline that Notice is returned to the Claims Administrator by the  
26 United States Postal Service with a forwarding address for the recipient, the Claims Administrator  
27 shall re-mail the notice to that address within three (3) business days of receipt of the returned  
28 Class Notice, the Class Notice will be deemed mailed and received at that point, and the

1 forwarding address shall be deemed the Updated Address for that Class Member. In any event, if  
2 the Claims Administrator does not receive notice from the United States Postal Service that a  
3 particular Class Notice is undeliverable, or should be sent to a forwarding address, at least ten (10)  
4 days prior to the deadline for the Claims Administrator to provide the Declaration of Compliance  
5 pursuant to Paragraph 3.2.8 below, the notice procedures in this paragraph will be deemed to have  
6 been complied with as to that Class Notice and no further action need be taken by the Claims  
7 Administrator with regard to that Class Notice. In the event the Claims Administrator must re-  
8 mail any Class Notice pursuant to the provisions of this Paragraph due to being returned for an  
9 invalid address, the Opt Out and Objection Deadlines shall be extended for those re-mailings to no  
10 later than ten (10) calendar days from the date of the re-mailing of the Class Notice. The Claims  
11 Administrator shall include a cover letter with any re-mailing informing the Class Member of the  
12 re-mailing of the Class Notice and that he or she has ten (10) calendar days from the date of the re-  
13 mailing (which shall be the date the re-mailing of the Class Notice is postmarked) to postmark any  
14 response allowed by the Stipulation and Class Notice, even if postmarked after the original Opt  
15 Out and Objection Deadlines. Compliance with the procedures described in this paragraph shall  
16 constitute due and sufficient notice to Class Members of this proposed settlement and of the Final  
17 Approval Hearing, and shall satisfy the requirements of due process. Nothing else shall be  
18 required of or done by the Settling Parties, Class Counsel, counsel for Defendants, or the Claims  
19 Administrator to provide notice of the proposed settlement and the Final Approval Hearing.

20           3.2.8. No later than thirty (30) calendar days after the Opt Out Deadline, the  
21 Claims Administrator shall provide Class Counsel and counsel for Defendants with a declaration  
22 attesting to completion of the notice process, including any attempts to obtain Updated Addresses  
23 for, and the re-sending of, any returned Class Notices, including the steps set forth in Paragraphs  
24 3.2.1 - 3.2.7 (“Declaration of Compliance”), which shall be filed with the Court by Class Counsel.

25           3.3     *Responses to the Notice of Proposed Class Action Settlement.*

26           3.3.1. Submission of Written Statement of Dispute: If a Class Member disagrees  
27 with the dates worked as a non-exempt employee set forth on his or her Class Notice, he or she  
28 must submit a written statement along with documentation that supports his or her belief that he or

1 she worked different dates during the Class Period as a non-exempt employee in the section  
2 provided on the Class Notice. The Claims Administrator will review the documentation and make  
3 a determination based upon the submitted documentation as to the validity of the Class Member's  
4 claim. If the Claims Administrator needs further information from Defendants concerning the  
5 Class Member's claim, the Claims Administrator will notify counsel for Defendants and Class  
6 Counsel and request the needed information. Defendants' records will be presumed determinative  
7 if there is a dispute over the dates of employment that the Class Member worked in the Class  
8 Period as a non-exempt employee, unless the Class Member has submitted valid and compelling  
9 documentation to support his or her claim to different work dates than the number shown on the  
10 Class Notice. The Claims Administrator shall resolve all disputes by applying the above standard,  
11 and the decision of the Claims Administrator on any disputed claims shall be final. The Written  
12 Statement of Dispute must be returned to the Claims Administrator on or before the Objection  
13 Deadline. Any Written Statement of Dispute that is returned to the Claims Administrator after the  
14 Objection Deadline will not be accepted or processed, except if in response to a deficiency notice  
15 sent by the Claims Administrator pursuant to Paragraph 3.3.7 or in response to a re-mailing of the  
16 Class Notice by the Claims Administrator pursuant to Paragraph 3.2.7.

17           3.3.2. Opt Out or Object at Class Members' Own Expense: Pursuant to California  
18 Rule of Court 3.766(d)(5), Class Members have the option to Opt Out or Object in this Lawsuit at  
19 their own expense by obtaining their own attorney(s). Class Members who choose this option will  
20 be responsible for any attorneys' fees or costs incurred as a result of this election. The Class  
21 Notice will advise Class Members of this option.

22           3.3.3. Objections to Settlement: Class Members may also object to the settlement  
23 by submitting written objections to the Claims Administrator as explained in the Notice of Class  
24 Action Settlement no later than the Objection Deadline. The written objection must be signed and  
25 dated, and additionally state the Class Member's name, dates of employment as a non-exempt  
26 employee of Midwest Environmental Control, Inc., the case name and number (*Robert Aguirre, et*  
27 *al. v. Midwest Environmental Control, Inc.*, Judicial Council Coordination Case No. JCCP 4797),  
28 and the basis for the objection. A Class Member who objects to the settlement will still be

1 considered a Member of the Settlement Class, unless he or she submits a valid and timely Opt Out  
2 written statement pursuant to Paragraph 3.3.4 below or a Notice of Objection stating: (1) full  
3 name, address, telephone number, and the last four digits of Social Security Number; (2) state the  
4 grounds for the objection; (3) be signed by the objector; and (4) indicate whether the objector  
5 intends to appear at the Final Approval Hearing. Any Class Member who fails to timely file such  
6 a written statement of his or her intention to object shall be precluded from making any objection  
7 to this settlement, unless otherwise ordered by the Court.

8           3.3.4. Opting Out of Settlement: Class Members may elect to Opt Out of the  
9 settlement and, thus, exclude themselves from the entire Litigation and the Settlement Class of  
10 which they are a member. Class Members who wish to exercise this option must send to the  
11 Claims Administrator a signed and completed written statement to the Settlement Administrator  
12 clearly indicating their desire to opt-out. They may use the form attached hereto as Exhibit 3, or  
13 write their own Opt Out. The Opt Out statement must include the full name, address, telephone  
14 number and the last four digits of the class member's Social Security Number, be signed by the  
15 class member opting out, and transmitted to 16630 Aston St., Irvine, California 92606  
16 postmarked, personally delivered, or faxed to facsimile number 949-419-3446 before the Opt Out  
17 Deadline. If a proper Opt Out written statement is not received by the Claims Administrator from  
18 a Class Member on or before the Opt Out Deadline, then that Class Member will be deemed to  
19 have forever waived his or her right to Opt Out of the Settlement Class. The Class Notice will  
20 advise Class Members of the option to Opt Out of the settlement and will contain instructions on  
21 how to do so. Class Members who do not properly request exclusion from the class action  
22 settlement by submitting a valid and timely writing clearly indicating their desire to opt-out shall  
23 be deemed Members of the Settlement Class. Class Members who do properly request exclusion  
24 from the class action settlement shall not be allowed to object to this Settlement, shall not be  
25 represented by Class Counsel, and for all purposes they shall be regarded as if they never were  
26 parties to this Litigation, and thus, they shall not be entitled to any benefits as a result of this  
27 Litigation.

28           3.3.5. Class Members who do not Opt Out of the Settlement Class pursuant to



1 Paragraph 3.3.4 shall be deemed Members of the Settlement Class and shall be bound by the  
2 Judgment.

3 3.3.6. In the event that any Class Member timely submits a Opt Out written  
4 statement, but it is deficient, as soon as possible, but not later than five (5) business days of the  
5 Claims Administrator's receipt of such written statement, the Claims Administrator shall send by  
6 first class, postage pre-paid, United States mail a notice to such Class Member informing him or  
7 her of the deficiency and that he or she has ten (10) calendar days from the date of the notice  
8 (which shall be the date the notice is mailed) to cure the deficiency and postmark and mail the  
9 written statement, even if postmarked after the Objection Deadline or Opt Out Deadline  
10 respectively. The Claims Administrator shall also copy Class Counsel and counsel for Defendants  
11 with any such notices of deficiency.

12 3.3.7. The Settling Parties agree that the Opt Out and Objection Deadlines shall  
13 not be extended, and no untimely submissions will be honored, under any circumstances, unless  
14 mutually agreeable by the Settling Parties and/or except to the extent permitted under Paragraphs  
15 3.3.1 and 3.3.6. Notwithstanding the forgoing, a Class Member will be allowed to extend the Opt  
16 Out and Objection Deadlines for him or herself if and only if he or she can make a showing of  
17 legal incapacity during the notice period.

18 3.4 *Post Claims Administration Period Events and Settlement Fairness Hearing.*

19 3.4.1. Within thirty (30) calendar days after the Objection and Opt Out Deadlines,  
20 the Claims Administrator shall calculate the final Individual Settlement Amount to be paid to each  
21 Participating Class Member and prepare a final statement of settlement sum for each Participating  
22 Class Member.

23 3.4.2. On the date set forth in the Preliminary Approval Order and Class Notice, a  
24 Final Approval Hearing shall be held before the Court in order to: (1) review this Stipulation and  
25 whether the Court should give it final approval; (2) consider any objections made timely (i.e., by  
26 the Objection Deadline); (3) consider Class Counsel's application for an award of attorneys' fees,  
27 reimbursements for costs and expenses, and the Class Representatives and Named Plaintiffs  
28 service awards. At the Final Approval Hearing, the Class Representatives shall ask the Court to

1 give final approval to this Stipulation and shall submit to the Court a proposed Order Determining  
2 Good Faith and Granting Final Approval of the Settlement and Entry of Order substantially in the  
3 form attached hereto as Exhibit 2 to be entered in the Litigation. The Settling Parties shall take all  
4 reasonable efforts to secure entry of the Order Determining Good Faith and Granting Final  
5 Approval of Settlement, and the Judgment. If the Court rejects the Stipulation, fails to enter the  
6 Order Determining Good Faith and Granting Final Approval of Settlement, or fails to enter the  
7 Judgment, this Stipulation shall be void, and Defendants shall have no obligation to make any  
8 payments under the Stipulation; however, the Settling Parties and their counsel agree to take all  
9 reasonable efforts to fix any deficiencies the Court cites for its non-approval as set forth in  
10 Paragraph 3.6.1. Notice of the Final Judgment will be available on the Claims Administrator's  
11 website.

12           3.5    *Releases.*

13                   3.5.1. Upon the Effective Date, the Named Plaintiffs, Class Representatives and  
14 each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment  
15 shall have, fully, finally, and forever released, relinquished, and discharged all Released Claims  
16 applicable to each of them.

17           3.6    *Termination of Settlement; Reasonable Steps to Cure.*

18                   3.6.1. In the event that the settlement set forth in this Stipulation shall not be  
19 approved in its entirety by the Court, or in the event that the Effective Date does not occur,  
20 Defendants shall have the option to void the settlement, and in such case, no payments shall be  
21 made by Defendants to anyone in accordance with the terms of this Stipulation, and this  
22 Stipulation shall be deemed null and void with no effect on the Litigation whatsoever.  
23 Notwithstanding this provision, the Settling Parties agree to take all reasonable steps to cure any  
24 deficiencies cited by the Court as reason for non-approval of any matter(s) filed with the Court for  
25 approval. If the Court changes the dates or deadlines of hearings provided for in this Stipulation  
26 by fewer than five (5) months, this shall not be deemed a substantial change necessitating  
27 termination of the settlement, provided that the Settling Parties agree to move other dates and  
28 deadlines in the Stipulation accordingly. In the event the Court reduces any of the amounts

1 apportioned for the Class Representatives, Named Plaintiffs, the Class Counsel's fees or costs, the  
2 Third Party Administrator, or the PAGA penalties, the difference shall revert to the Class by  
3 becoming part of the Class Payout Fund. In the event that more than five percent (5%) of the  
4 Class Members Opt Out of the settlement by submitting Opt Outs by the Opt Out Deadline,  
5 Defendants shall have the right to terminate and void this settlement and Stipulation; however,  
6 Defendants must notify Class Counsel of their intention to nullify the settlement and Stipulation  
7 within thirty (30) calendar days after the expiration of the Opt Out Deadline. In the event that the  
8 number of Class Members increases by more than ten percent (10%), the Class Representatives  
9 shall have the right to terminate and void this settlement and Stipulation; however, Class Counsel  
10 must notify Defendants of their intention to nullify the settlement and Stipulation within fourteen  
11 (14) calendar days after the Settlement Administrator reports the class size to Class Counsel.

12           3.7    *Miscellaneous Provisions.*

13                   3.7.1. It is the parties' intention that no Person shall have any claim against Class  
14 Counsel, the Claims Administrator, or any of the Defendant Releasees based on the payments  
15 made or other actions taken substantially in accordance with this Stipulation and the settlement  
16 contained herein or further orders of the Court.

17                   3.7.2. This settlement shall result in the release by Settlement Class Members of  
18 Released Claims including those arising under PAGA. The Settling Parties and their counsel  
19 agree that Defendants' payment of \$7,500 to the LWDA for its share of the PAGA Penalties  
20 (75%) to settle the PAGA claims is appropriate and proper consideration in the overall context of  
21 this Stipulation.

22                   3.7.3. In the event that the Stipulation is not substantially approved by the Court,  
23 after all reasonable steps to cure have been exhausted, or the settlement set forth in the Stipulation  
24 is terminated, cancelled, declared void, or fails to become effective in accordance with its terms,  
25 or if the Judgment does not become Final, or to the extent cancellation is otherwise provided for in  
26 this Stipulation, the Settling Parties shall resume the Litigation at that time as if no Stipulation had  
27 been entered. In such event, the terms and provisions of the Stipulation shall have no further force  
28 and effect with respect to the Settling Parties and shall not be used in this Litigation or in any other

1 proceeding for any purpose, and any Judgment or order entered by the Court in accordance with  
2 the terms of the Stipulation shall be treated as vacated, and Defendants shall be entitled to a refund  
3 of all settlement payments deposited with the Settlement Administrator to date within fourteen  
4 (14) days as set forth in paragraph 2.1.2. Notwithstanding any other provision of this Stipulation,  
5 if the Court should fail to award attorneys' fees to Class Counsel in the full amount provided for in  
6 this Stipulation, no order of the Court or modification of any order of the Court concerning the  
7 amount of any attorneys' fees to be paid by Defendants to Class Counsel pursuant to this  
8 settlement shall constitute grounds for cancellation or termination of the Stipulation or grounds for  
9 limiting any other provision of the Judgment. It is agreed that no order of the Court, including any  
10 order concerning attorneys' fees, may alter or otherwise increase the Gross Settlement Amount.

11           3.7.4. The Settling Parties (a) acknowledge that it is their intent to consummate  
12 this agreement; (b) agree to cooperate to effectuate and implement all terms and conditions of the  
13 Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of  
14 the Stipulation; (c) agree to seek and to attempt to obtain Court approval for the Stipulation; and  
15 (d) agree to reasonably work together to seek and attempt to obtain Court approval for the  
16 Stipulation and final approval should the Court not grant approval upon the first presentation.

17           3.7.5. The Parties and attorneys agree to keep the settlement confidential through  
18 preliminary approval. Thereafter, the parties will agree to make no comments to the media or  
19 otherwise publicize the terms of the settlement. The parties agree that no party shall issue any  
20 press release to the news media, or communicate in any way with any news media, concerning the  
21 settlement or the litigation.

22           3.7.6. Unless otherwise ordered by the Court, in the event the Stipulation shall be  
23 terminated, canceled, declared void, or fails to become effective in accordance with its terms,  
24 within ten (10) business days after written notification of such event, Defendants and Class  
25 Counsel shall notify each other of this event in writing.

26           3.7.7. The Stipulation compromises claims which were contested and the subject  
27 of a good faith dispute, and it shall not be deemed an admission by any of the Settling Parties as to  
28 the merits of any claim or defense. The Settling Parties agree that the amounts paid in settlement

1 of the Litigation and the other terms of the settlement were negotiated at arms length and in good  
2 faith with sufficient information by the Settling Parties and reflect a settlement that was reached  
3 voluntarily after consultation with competent legal counsel.

4 3.7.8. All of the exhibits to the Stipulation are material and integral parts hereof  
5 and are fully incorporated herein by this reference.

6 3.7.9. The Stipulation may be amended or modified only by a written instrument  
7 signed by or on behalf of all Settling Parties or their respective successors-in-interest.

8 3.7.10. The Stipulation constitutes the entire agreement among the Settling Parties  
9 hereto and no representations, warranties, or inducements have been made to any party concerning  
10 the Stipulation or its exhibits other than the representations, warranties, and covenants contained  
11 and memorialized in such documents. Except as otherwise provided herein, each party shall bear  
12 its own costs.

13 3.7.11. Class Counsel, on behalf of the Settlement Class, are expressly authorized  
14 by the Class Representatives to take all appropriate action required or permitted to be taken by the  
15 Class pursuant to the Stipulation to effect its terms and also are expressly authorized to enter into  
16 any modifications or amendments to the Stipulation on behalf of the Settlement Class which they  
17 deem appropriate.

18 3.7.12. Each counsel or other Person executing the Stipulation or any of its exhibits  
19 on behalf of any Settling Parties hereby warrants that such Person has full and express authority to  
20 do so.

21 3.7.13. The Stipulation may be executed in one or more counterparts. All executed  
22 counterparts and each of them shall be deemed to be one and the same instrument. A complete set  
23 of executed counterparts shall be filed with the Court.

24 3.7.14. The Stipulation shall be binding upon, and inure to the benefit of, the  
25 successors and assigns of the parties hereto; however, this Stipulation is not designed to and does  
26 not create any third party beneficiaries unless otherwise specifically provided herein.

27 3.7.15. The Court shall retain jurisdiction with respect to implementation and  
28 enforcement of the terms of the Stipulation, and all parties hereto submit to the jurisdiction of the

1 Court for purposes of implementing and enforcing the settlement embodied in the Stipulation.

2 3.7.16. The Stipulation and the exhibits hereto shall be considered to have been  
3 negotiated, executed, and delivered, and to have been wholly performed, in the State of California,  
4 and the rights and obligations of the parties to the Stipulation shall be construed and enforced in  
5 accordance with, and governed by, the internal, substantive laws of the State of California without  
6 regard to principles of conflicts of law.

7 3.7.17. The language of all parts of this Stipulation shall in all cases be construed as  
8 a whole, according to its fair meaning, and not strictly for or against either party. No party shall  
9 be deemed the drafter of this Stipulation. The parties acknowledge that the terms of the  
10 Stipulation are contractual and are the product of negotiations between the parties and their  
11 counsel. Each party and their/its counsel cooperated in the drafting and preparation of the  
12 Stipulation. In any construction to be made of the Stipulation, the Stipulation shall not be  
13 construed against any party and the canon of contract interpretation set forth in California *Civil*  
14 *Code* section 1654 shall not be applied.

15 3.7.18. Should any deadlines set forth in the Stipulation require any action to be  
16 taken on a weekend or a Court holiday, then the action may be taken on the next business day,  
17 unless otherwise specified by law or rule of Court, except that should the Opt Out Deadline or  
18 Objection Deadline (or extension(s) thereof specified in the Stipulation relating to a deficiency  
19 notice or a re-mailing) fall on a Saturday and regular U.S. Mail service is in operation that day,  
20 then no further extension pursuant to this paragraph shall apply to these specific deadlines.

21

22 READ AND AGREED TO INDIVIDUALLY AND ON BEHALF OF THE PROPOSED CLASS:

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Dated: \_\_\_\_\_, 2017

25 Plaintiff Ronald Berend

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Dated: \_\_\_\_\_, 2017

28 Plaintiff Jake Berend

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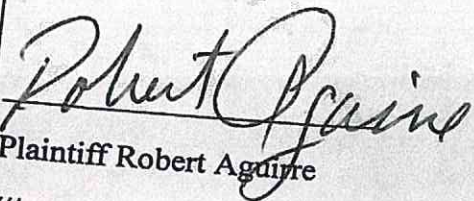
READ AND AGREED TO INDIVIDUALLY:

\_\_\_\_\_  
Plaintiff Irving Beltran

Dated: \_\_\_\_\_, 2017

\_\_\_\_\_  
Plaintiff Keith Bispo

Dated: \_\_\_\_\_, 2017

  
Plaintiff Robert Aguirre

Dated: 1-23, 2017

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READ AND AGREED TO ON BEHALF OF DEFENDANTS:

\_\_\_\_\_  
Dale Bruhl  
President  
Midwest Environmental Control, Inc.

Dated: \_\_\_\_\_, 2017

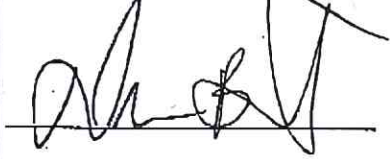
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Dale Bruhl  
President  
MEC, Inc.

Dated: \_\_\_\_\_, 2017

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READ AND AGREED TO INDIVIDUALLY:



Dated: 1-24-~~17~~, 2017

Plaintiff Irving Beltran

Dated: \_\_\_\_\_, 2017

Plaintiff Keith Bispo

Dated: \_\_\_\_\_, 2017

Plaintiff Robert Aguirre

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READ AND AGREED TO ON BEHALF OF DEFENDANTS:

Dated: \_\_\_\_\_, 2017

Dale Bruhl  
President  
Midwest Environmental Control, Inc.

Dated: \_\_\_\_\_, 2017

Dale Bruhl  
President  
MEC, Inc.

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2 3.7.16. The Stipulation and the exhibits hereto shall be considered to have been  
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21

22 READ AND AGREED TO INDIVIDUALLY AND ON BEHALF OF THE PROPOSED CLASS:

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Dated: 1-22, 2017

25 Plaintiff Ronald Berend

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Dated: 1-22, 2017

28 Plaintiff Jake Berend

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READ AND AGREED TO INDIVIDUALLY:

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Dated: \_\_\_\_\_, 2017

Plaintiff Irving Beltran

*Keith Bispo*

Dated: 1-23, 2017

Plaintiff Keith Bispo

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Dated: \_\_\_\_\_, 2017

Plaintiff Robert Aguirre

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READ AND AGREED TO ON BEHALF OF DEFENDANTS:

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Dated: \_\_\_\_\_, 2017

Dale Bruhl  
President  
Midwest Environmental Control, Inc.

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Dated: \_\_\_\_\_, 2017

Dale Bruhl  
President  
MEC, Inc.

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READ AND AGREED TO INDIVIDUALLY:

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Dated: \_\_\_\_\_, 2017

Plaintiff Irving Beltran

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Dated: \_\_\_\_\_, 2017

Plaintiff Keith Bispo

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Dated: \_\_\_\_\_, 2017

Plaintiff Robert Aguirre

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READ AND AGREED TO ON BEHALF OF DEFENDANTS:

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Dated: \_\_\_\_\_, 2017

Dale Bruhl  
President  
Midwest Environmental Control, Inc.

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Dated: \_\_\_\_\_, 2017

Dale Bruhl  
President  
MEC, Inc.

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READ AND AGREED TO INDIVIDUALLY:

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Dated: \_\_\_\_\_, 2017

Plaintiff Irving Beltran

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Dated: \_\_\_\_\_, 2017

Plaintiff Keith Bispo

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Dated: \_\_\_\_\_, 2017

Plaintiff Robert Aguirre

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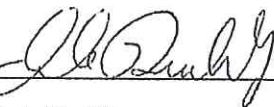
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READ AND AGREED TO ON BEHALF OF DEFENDANTS:

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Dated: 2-7- \_\_\_\_\_, 2017

Dale Bruhl  
President  
Midwest Environmental Control, Inc.

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Dated: 2-07- \_\_\_\_\_, 2017

Dale Bruhl  
President  
MEC, Inc.

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APPROVED AS TO FORM:



Dated: 2-13, 2017

Jeffrey S. Ranen  
Katherine C. Den Bleyker  
Tyler J. Johnson  
Lewis Brisbois Bisgaard & Smith LLP  
Attorneys for Defendants Midwest Environmental  
Control Inc. and MEC, Inc.



Dated: 2-13, 2017

Karl Gerber  
Employment Lawyers Group  
Attorney for Plaintiffs