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15 **MISSRY ASSOCIATES, INC.**

16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

17 **COUNTY OF LOS ANGELES – CENTRAL CIVIL WEST**

18 Coordination Proceeding
19 Special Title (Rule 3.550)

20 **STAFFING SYSTEMS WAGE AND
21 HOUR CASES**

22 Coordinated actions:

23 **APODACA v. MISSRY ASSOCIATES,
24 INC.**

25 Superior Court of California
26 County of Los Angeles
27 Case No. BC482096

28 **RINCON-BARRALES v. STAFFING
SYSTEMS, INC.**

Superior Court of California
County of Los Angeles
Case No. BC535243

**GRAJEDA v. MISSRY ASSOCIATES,
INC.**

Superior Court of California
County of San Bernardino
Case No. CIVDS 1305826

Case No.: JCCP4796
Case Assigned for All Purposes to:
Judge Jane L. Johnson

**JOINT STIPULATION OF
SETTLEMENT AND RELEASE
BETWEEN PLAINTIFFS AND
DEFENDANT MISSRY
ASSOCIATES, INC.**

1 of California Labor Code §§ 201 and 202 (Wages Not Timely Paid Upon Termination); (4) Violation of
2 Labor Code § 226 (a) (Non-compliant Wage Statements); (5) Violation of Business and Professions
3 Code § 17200 et seq.; and (6) Penalties pursuant to California Labor Code § 2699 (Private Attorneys
4 General Act).

5 (c) On or about February 4, 2014, Plaintiff FLOR RINCON-BARRALES filed a
6 proposed Class Action Complaint against SSI Defendants in the Los Angeles County Superior Court on
7 behalf of herself and all others similarly situated, captioned: “*FLOR RINCON-BARRALES, individually
8 and on behalf of other members of the public similarly situated, Plaintiff v. STAFFING SYSTEM, INC.,
9 a California corporation, and DOES 1 to 100, inclusive, Defendants*” Case No. BC535243. The
10 *Rincon-Barrales* matter alleges causes of action for: (1) Violation of California Labor Code §§ 510 and
11 1198 (Unpaid Overtime); (2) Violation of California Labor Code § 226.7 and 512(a) (Unpaid Meal
12 Period Premiums); (3) Violation of California Labor Code §§ 201 and 202 (Wages Not Timely Paid
13 Upon Termination); (4) Violation of Labor Code § 226 (a) (Non-compliant Wage Statements); (5)
14 Violation of Business and Professions Code § 17200 et seq. Thereafter, Associate Management
15 Resources, Inc., (“AMR) and SSI Staffing, Inc., (“SSI Staffing”) were joined as defendants by Doe
16 Amendments.

17 (d) The *Apodaca*, *Grajeda* and *Rincon-Barrales* matters are now coordinated before
18 this Court in this Special Proceeding shall be referred to collectively as the “Staffing Systems Wage And
19 Hour Cases.”

20 2. **Definition of “Releasee” and Scope of Released Entities:** The term “Releasee(s)” as
21 referenced herein and as released in the Settlement includes Missry Associates, Inc. (“Missry”),
22 Staffing Systems, Inc., (“SSI”), Associate Management Resources, Inc., (“AMR”), SSI Staffing, Inc.,
23 (“SSI Staffing”), and Coordinated Staff, Inc., (“CSI”) (hereinafter collectively “Releasees”). This
24 Settlement shall be binding on Plaintiffs, on Missry, and on all present and former shareholders, officers,
25 directors, employees, agents, attorneys, insurers, successors and assigns of Missry.

26 3. **Definition of Settlement Class:** For purposes of this Settlement, the Parties stipulate to
27 the following Settlement Class: all persons employed by Defendants as nonexempt employees at
28 Missry’s facilities located at 20301 East Walnut Drive North, City of Industry, and 4700 Gregg Road,

1 Pico Rivera, California, between April 3, 2008 and the date of Preliminary Approval or April 30, 2016,
2 whichever is earlier.

3 4. **Settlement Class Period:** The Settlement Class Period shall be from April 3, 2008,
4 through the date of Preliminary Approval or April 30, 2016, whichever date is earlier (“Settlement Class
5 Period”).

6 5. **Scope of Release:** The claims to be released by the Settlement Class Members as to
7 Releasees and each of them include all known and unknown claims from April 3, 2008, through the date
8 of Preliminary Approval or April 30, 2016, whichever date is earlier for any and all claims under state
9 and federal law relating to failure to pay all wages , failure to authorize and permit rest periods, failure
10 to provide meal periods, failure to pay compensation, failure to timely pay wages due at termination,
11 violation of Business and Professions Code § 17200 et. seq., violation of any IWC Wage Order, any
12 other claims under state, federal or local law arising out of or related to the allegations contained in the
13 *Apodaca, Grajeda* and *Rincon-Barrales* Complaints (“Complaints”), punitive and/or liquidated
14 damages, and related penalties, including but not limited to Labor Code sections 203, 223, 226, 226.7,
15 510, 512, 1194, 1198 and 2699, and interest, attorneys’ fees, and costs.

16 6. For purposes of settling the Lawsuit, the Parties conditionally stipulate and agree that the
17 requisites for establishing class certification with respect to the Settlement Class have been met and are
18 met, and therefore, stipulate to class certification. More specifically, the Parties conditionally stipulate
19 and agree that:

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

22 b. There is an ascertainable class.

23 c. There are common questions of law and fact.

24 d. Plaintiffs’ claims are typical of the claims of the members of the Settlement Class with
25 respect to claims for: (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2)
26 Violation of California Labor Code § 226.7 and 512(a) (Unpaid Meal Period Premiums); (3) Violation
27 of California Labor Code §§ 201 and 202 (Wages Not Timely Paid Upon Termination); (4) Violation of
28 Labor Code § 226 (a) (Non-compliant Wage Statements); (5) Violation of Business and Professions

1 Code § 17200 et seq., and (6) penalties pursuant to California Labor Code § 2699 (Private Attorneys
2 General Act.

3 e. AEQUITAS LAW GROUP shall be deemed “Class Counsel” (and hereinafter referred to
4 for purposes of settlement only as “Class Counsel”) who will fairly and adequately protect the interests
5 of the Settlement Class.

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

9 g. Questions of law and fact common to the members of the Settlement Class predominate
10 over questions affecting individual members in the Settlement Class, and a class action is superior to
11 other available means for the fair and efficient adjudication of the controversy.

12 7. Releasees deny any liability or wrongdoing of any kind associated with the claims
13 alleged in the Complaints, and further deny, for any purpose other than settlement, that the matters
14 alleged in the Complaints are appropriate for class treatment. Releasees contend, among other things,
15 that they have complied at all times with the California Labor Code, and all applicable California and
16 federal laws and regulations.

17 8. Plaintiffs believe they have filed meritorious actions and that class certification is
18 appropriate. Plaintiffs contend that Defendants violated California’s wage and hour laws and that these
19 cases are appropriate for class certification, as the prerequisites for class certification can be satisfied,
20 and that the cases are appropriate to certify as collective actions under California law.

21 9. It is the desire of the Parties to fully, finally, and forever settle, compromise, and
22 discharge all disputes and claims that exist between them arising from or related to the Lawsuit. In
23 order to achieve a full and complete release of Releasees and each of them of such disputes, claims, and
24 allegations, each Class Member (which includes any legal heirs and/or successors-in-interest of each
25 Class Member), through execution of the Stipulation and Settlement by the Class Representatives,
26 acknowledges that this Stipulation of Settlement is intended to include in its effect all claims arising
27 from or related to the Staffing Systems Wage and Hour Cases, including, but not limited to, claims
28 arising from or related to the Staffing Systems Wage and Hour Cases accruing during the Settlement

1 Period that each Settlement Class Member does not know or suspect to exist in his or her favor against
2 Releasees or any of them.

3 10. Class Counsel has conducted a thorough investigation into the facts of the Staffing
4 Systems Wage and Hour Cases, including an extensive review of relevant documents, and has diligently
5 pursued an investigation of the Settlement Class claims against Releasees and each of them. Based on
6 its own independent investigation and evaluation, Class Counsel is of the opinion that the Settlement
7 with Missry and the releases of Releasees and each of them for the consideration and on the terms set
8 forth in this Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the
9 Settlement Class in light of all known facts and circumstances, including the risk of significant delay,
10 the risk a class will not be certified by the Court, defenses asserted by Defendants, and numerous
11 potential appellate issues. Missry and Missry's Counsel also agree that the Settlement is fair and in the
12 best interest of the Settlement Class

13 11. **“Maximum Settlement Amount”**: This Settlement provides for a claims process
14 requiring Defendant Missry to make settlement payments on a claims-made basis according to a
15 specified formula, for each timely and valid claim submitted. Upon final approval, the settlement shall
16 be paid to the Claims Administrator solely by Defendant Missry. The maximum total payment under
17 the Settlement if all Class Members file valid claims, inclusive of all wages, damages, penalties,
18 compensation, interest, and attorneys' fees and costs as awarded by the Court, Class Representative
19 Enhancement, Claims Administration Expenses, and any other payments provided by this Settlement, is
20 Seven Hundred Thousand Dollars (\$700,000.00) (“Maximum Settlement Amount”). It is understood
21 and agreed that Missry's maximum total liability under this Settlement shall not exceed the Maximum
22 Settlement Amount.

23 12. It is further understood and agreed that Missry shall have no obligation to pay any person,
24 entity or organization the difference between the amount of the Maximum Settlement Amount and the
25 total amount of: (1) the timely and valid claims filed by the Settlement Class; (2) the attorneys' fees and
26 costs approved by the Court; (3) the service payments to the Class Representatives approved by the
27 Court; (4) the costs of the Claims Administrator; and (5) any other payments provided by this
28

1 a. It is agreed by and between Plaintiffs and Missry that the Staffing Systems Wage
2 and Hour Cases and any claims, damages, or causes of action arising out of the disputes which are the
3 subject of the Staffing Systems Wage and Hour Cases, be settled and compromised as between the
4 plaintiffs and the members of the Settlement Class and each of them on the one hand and the Releasees
5 and each of them on the other hand, subject to the terms and conditions set forth in this Stipulation of
6 Settlement and the approval of the Superior Court of California, County of Los Angeles.

7 b. Approval of Settlement/Effective Date: The settlement embodied in this
8 Stipulation of Settlement shall become effective when all of the following events have occurred: (i) this
9 Stipulation of Settlement has been executed by Plaintiffs, by Missry, by counsel for the Settlement
10 Class, and by counsel for Missry; (ii) the Court has given preliminary approval to the settlement; (iii)
11 notice has been given to the members of the Settlement Class, providing them with an opportunity to
12 submit claim forms to participate in the settlement; (iv) the Court has held a final approval hearing and
13 entered a final order and judgment certifying the Settlement Class, and approving this Stipulation of
14 Settlement; and (v) the later of the following events: when the period for filing any appeal, writ or other
15 appellate proceeding opposing this Settlement has elapsed without any appeal, writ or other appellate
16 proceeding having been filed; or any appeal, writ or other appellate proceeding opposing this Settlement
17 has been dismissed finally and conclusively with no right to pursue further remedies or relief; or any
18 appeal, writ or other appellate proceeding has upheld the Court's final order approving the Settlement
19 with no right to pursue further remedies or relief. In this regard, it is the intention of the Parties that the
20 Settlement shall not become effective until the Court's order approving the Settlement has become
21 completely final, and there is no further recourse by any appellant or objector who seeks to contest the
22 Settlement.

23 c. Net Settlement Amount: The Net Settlement Amount shall be calculated by
24 deducting from the Maximum Settlement Amount of Seven Hundred Thousand Dollars (\$700,000.00),
25 the sums set forth below (subject to approval by the Court) including the anticipated payments under this
26 Settlement for: (1) attorneys' fees (not to exceed \$233,333.33) and costs (not to exceed \$10,000); (2) an
27 enhancement award of \$5,000 for Plaintiffs, and each of them; and (3) costs of claims administration.
28

1 Settlement payments to the members of the Settlement Class who file valid and timely claims will be
2 calculated by the Claims Administrator and paid out of the Net Settlement Amount as set forth below.

3 d. Settlement Class Member Settlement Payments: Settlement Class Member
4 Settlement Payments will be paid out of the Net Settlement Amount. Settlement payments to members
5 of the Settlement Class will be determined on a claims-made basis and each member of the Settlement
6 Class will be paid a percentage of the Net Settlement Amount based upon the amount of earnings earned
7 by each Settlement Class Member during the Settlement Class Period. Any non-exempt employee
8 working at Missry as of August 19, 2015 (whether a Missry W-2 employee or a temporary employee
9 who was placed at Missry by the SSI Defendants) shall not be required to submit claims. The Net
10 Settlement Amount will be multiplied by each Settlement Class Member's "Individual Workweeks"
11 (defined below) which will yield each Settlement Class Member's Settlement Payment. Settlement
12 Class Members who file valid and timely claims will be paid his/her Settlement Payment based on this
13 percentage as calculated by the Claims Administrator as follows:

14 1) "Total Workweeks" will be the total Workweeks worked by Settlement Class
15 Members during the Settlement Class Period according to Releasees' payroll
16 records, which shall be presumed correct. "Individual Workweeks" will be
17 the total Workweeks worked by an individual Settlement Class Member
18 during the Settlement Class Period, according to Releasees' payroll records,
19 which shall be presumed correct.

20 2) Each Settlement Class Member's "Individual Settlement Payment" will be
21 based on a ratio of the Settlement Class Member's Individual Workweeks to
22 the Total Workweeks. The Individual Settlement Payment will be calculated
23 by dividing the Settlement Class Member's Individual Workweeks by the
24 Total Workweeks and multiplying by the Net Settlement Amount.

25 3) **Distribution of Remainder.** "Remainder" means the unclaimed portion of the
26 Net Settlement Amount. The Remainder also includes any undistributed
27 portion of the Net Settlement Amount resulting from the decision of any
28 Settlement Class Members to request exclusion from the Settlement. The

1 Remainder, if any, will be returned to Defendant Missry. Notwithstanding
2 any other provision in this Agreement to the contrary, at least fifty-five
3 percent (55%) of the Net Settlement Amount shall be distributed to the
4 Settlement Class. In the event that the total amount claimed is less than
5 twenty-five percent (25%), the portion of the Net Settlement Amount
6 (remaining after the amounts claimed with timely and valid Claim Forms have
7 been deducted up to but not exceeding the amount of the floor against
8 reversion established in this Paragraph) shall be distributed on a pro-rata basis
9 to every Settlement Class Member who failed to timely submit either a Claim
10 Form or Exclusion Form and whose contact information can be verified..

11 e. **Allocation Of Individual Settlement Payments:** The parties have agreed that
12 all Individual Settlement Payments will be allocated as follows: 33.33% to wages and 66.67% to
13 penalties, interest, fees and costs. Appropriate federal, state and local withholding taxes will be taken
14 out of the wage allocations, and each Settlement Class Member will receive an IRS Form W-2 with
15 respect to this portion of the settlement payment. IRS Forms 1099 will be issued to each Settlement
16 Class Member reflecting the payments for penalties, interest, fees and costs. Settlement Class Members
17 are responsible for paying appropriate taxes due on the Individual Settlement Payments they receive.
18 Each Settlement Class Member agrees to indemnify Missry for any liability or costs incurred by it
19 should the Class Member fail to pay all taxes due on the settlement payment, or if any tax authority
20 should dispute the allocation of the settlement payments.

21 f. **Settlement Payments Do Not Trigger Additional Benefits:** All Settlement
22 Payments to individual Settlement Class Members shall be deemed to be paid to such Settlement Class
23 Member solely in the year in which such payments actually are received by the Settlement Class
24 Member. It is expressly understood and agreed that the receipt of such Individual Settlement Payments
25 will not entitle any Settlement Class Member to additional compensation or benefits under any
26 Releasee's bonus, contest or other compensation or benefit plan or agreement in place during the period
27 covered by the Settlement, nor will it entitle any Settlement Class Member to any increased retirement,
28 401K benefits or matching benefits, or deferred compensation benefits. It is the intent of this Settlement

1 that the Individual Settlement Payments provided for in this Settlement are the sole payments to be made
2 by Missry to the Settlement Class Members, and that the Settlement Class Members are not entitled to
3 any new or additional compensation or benefits as a result of having received the Individual Settlement
4 Payments (notwithstanding any contrary language or agreement in any benefit or compensation plan
5 document that might have been in effect during the period covered by this Settlement).

6 g. **Attorneys' Fees and Attorneys' Costs:** Subject to Court approval and/or
7 modification, Missry will not object to Settlement Class Counsel's application for attorneys' fees not to
8 exceed \$233,333.33, and costs not to exceed \$10,000.00, as discussed more fully below.

9 h. **Class Representative:** Subject to Court approval, the Parties agree to the
10 designation of the above-named Plaintiffs as the Class Representatives. The Class Representatives shall
11 receive enhancement awards at no additional cost to Missry or to any other Releasee, subject to approval
12 by the Court, and subject to the Class Representatives' prior execution of separate general releases of all
13 claims under California Code of Civil Procedure section 1542, including a promise not to seek re-
14 employment with any Releasee. The enhancement awards will be in addition to the Class
15 Representatives' Individual Settlement Amount Awards. The enhancement award is to be part of, and
16 shall be deducted from, the Settlement Amount prior to calculation of the Individual Settlement Amount
17 Awards. IRS Forms 1099 shall issue for the enhancement award. Class Representatives shall be
18 excused from submitting claims.

19 i. **Claims Administrator:** The Claims Administrator will be CPT Group, Inc.
20 ("Claims Administrator"), or such other claims administrator as may be mutually agreeable to the parties
21 and approved by the Court. The fees of the Claims Administrator for work done shall be paid regardless
22 of the outcome of this Settlement.

23 j. **Mailing of Individual Settlement Payments:** The Claims Administrator shall
24 cause the Individual Settlement Payments to be mailed to the Settlement Class Members within fifteen
25 (15) calendar days of the Effective Date of the Settlement.

26 k. **Claim Forms:** For each Settlement Class Member in the Settlement Class, there
27 will be pre-printed information on the Claim Form mailed to the Settlement Class Member, based on the
28 Settlement Class Member's payroll records, which shall be presumed to be correct, stating the number

1 of workweeks worked by the Settlement Class Member during the Settlement Class Period in California
2 and the Settlement Class Member's Individual Settlement Payment. A Settlement Class Member may
3 challenge the pre-printed information on the Claim Form as to the number of workweeks he or she
4 worked during the Class Period. Unless a challenging Settlement Class Member submits documentary
5 evidence in support of their dispute, the Settlement Class Member's payroll records will be
6 determinative. All Claim Forms must be completed in their entirety to be considered valid. Any
7 employee working at Missry as of August 19, 2015 (whether a Missry W-2 employee or a temporary
8 employee who was placed at Missry by the SSI Defendants) shall not be required to submit claims.
9 Neither Missry nor any other Releasee shall have any obligation to pay any person, entity or
10 organization the difference between the amount of the maximum total liability under this Settlement as
11 set forth above and the total amount of: (1) the valid claims filed by all Settlement Class Members; (2)
12 the attorneys' fees approved by the Court; (3) the attorneys' costs as approved by the Court; (4) the
13 service payments to the Class Representative approved by the Court; (5) the fees and expenses of the
14 Claims Administrator; and (6) any other payments provided by this Settlement.

15 1. **Resolution of Disputes Relating to Length of Time That A Settlement Class**
16 **Member Worked:** If a Settlement Class Member disputes the accuracy of the Settlement Class
17 Member's payroll records, and counsel for the Parties cannot resolve the dispute informally, the matter
18 will be referred to the Claims Administrator. The Claims Administrator will review the Settlement
19 Class Member's payroll records and any information or documents submitted by the Settlement Class
20 Member and issue a non-appealable decision as to the dates the Settlement Class Member worked.
21 Information or documents submitted after the Claim Form is postmarked and mailed will not be
22 considered by the Claims Administrator, unless otherwise agreed to by the parties.

23 m. **Enhancement Award to Plaintiffs for Their Service as Class Representatives:**
24 The Settlement Administrator will pay the court-approved Class Representative enhancement payments
25 on the same date Class Counsel is paid their attorneys' fees and costs.

26 n. **Right of Class Member to Object or Request Exclusion From the Settlement:**
27 Settlement Class Members have sixty (60) calendar days from the original date of mailing the Notice of
28 Pendency of Class Action Settlement ("Notice") to file an objection to or a request exclusion from the

1 Settlement. Only Settlement Class Members who have not requested exclusion may object to the
2 Settlement. To object, a Settlement Class Member must file a written objection and a notice of intention
3 to appear at the Final Approval hearing and send copies to the Claims Administrator as set forth in the
4 Notice. Settlement Class Members who fail to file and serve timely written objections in the manner
5 specified above shall be deemed to have waived any objections and shall be foreclosed from making any
6 objection (whether by appeal or otherwise) to the Settlement, unless otherwise ordered by the Court.
7 Settlement Class Counsel and Defendants' Counsel may, at least ten (10) days (or some other number of
8 days as the Court shall specify) before the Final Approval Hearing, file responses to any written
9 objections submitted to the Court.

10 **CLAIMS ADMINISTRATION**

11 16. Subject to the Court's approval, the parties have agreed to the appointment of CPT
12 Group, Inc. to perform the customary duties of Claims Administrator; provided, however, the Parties
13 shall have the right to select or substitute a different Claims Administrator by mutual agreement. The
14 Claims Administrator will send out to the Settlement Class the Notice of Pendency of Class Action and
15 Proposed Settlement, Claim Form, and Opt-Out Form. The Claims Administrator will independently
16 review the Claim Form and Opt-Out Form and documentation, based on Settlement Class Members'
17 payroll records, as to the workweeks worked by each Settlement Class Member during the Settlement
18 Class Period and will calculate the amounts due to each Settlement Class Member in accordance with
19 this Settlement. The Claims Administrator shall report, in summary or narrative form, the substance of
20 its findings. The Claims Administrator shall be granted reasonable access to class members' payroll
21 records in order to perform its duties. At the request of Missry, and upon receipt of settlement funds, the
22 Claims Administrator will issue and send out Individual Settlement Payment checks to Settlement Class
23 Members. Tax treatment of the Individual Settlement Payments will be as set forth herein, and in
24 accordance with state and federal tax laws. All disputes relating to the Claims Administrator's
25 performance of its duties shall be referred to the Court, if necessary, which will have continuing
26 jurisdiction over the terms and conditions of this Settlement until all payments and obligations
27 contemplated by this Settlement have been fully carried out.

28 **NOTICE TO THE SETTLEMENT CLASS**

1 17. A Notice of Pendency of Class Action Settlement (“Notice”) in approximately the form
2 attached hereto as Exhibit “A,” and as approved by the Court, shall be sent by the Claims Administrator
3 to the Settlement Class, by first class mail. Attached to the Notice will be a Claim Form in
4 approximately the form attached hereto as Exhibit “B,” and an Opt-Out Form in approximately the form
5 attached hereto as Exhibit “C”, and as approved by the Court. Any returned envelopes from this mailing
6 with forwarding addresses will be utilized by the Claims Administrator to forward the Notice and the
7 Claim Form to the Settlement Class.

8 a. Within twenty (20) calendar days of preliminary approval of this Settlement by
9 the Court, Missry will cause to be provided to the Claims Administrator a database or spreadsheet(s),
10 which will list for each Settlement Class Member the Settlement Class Member’s name, last known
11 address, phone numbers, social security number, and any other available personal contact and
12 identification information as may be requested by the Claims Administrator in order to provide notices
13 and payment to all Settlement Class Members and total workweeks for each Settlement Class Member
14 during the Settlement Class Period. Missry shall provide the above-listed information for its former and
15 current W-2 employees. Such database or spreadsheet(s) shall be based on the Settlement Class
16 Members’ payroll and other business records and in a format acceptable to the Claims Administrator.
17 Missry agrees to consult with the Claims Administrator prior to the production date to ensure that the
18 format will be acceptable to the Claims Administrator. The Claims Administrator will run a check of
19 the Settlement Class Members’ addresses against those on file with the U.S. Postal Service’s National
20 Change of Address List; this check will be performed only once per Settlement Class Member by the
21 Claims Administrator.

22 b. Within twenty-five (25) calendar days after the database and/or spreadsheet(s) are
23 provided to the Claims Administrator, the Claims Administrator will mail the Notices to the Settlement
24 Class Members. There will be a sixty (60) day notice and claims period from the date the Notices are
25 mailed during which Settlement Class Members may file claims or elect to opt-out of the class
26 settlement.

27 c. Notices returned to the Claims Administrator as non-delivered during the sixty
28 (60) calendar-day period for the filing of claims shall be resent to the forwarding address, if any, on the

1 returned envelope. A returned Notice and Claim Form will be forwarded only once per Settlement Class
2 Member by the Claims Administrator. If there is no forwarding address, the Claims Administrator will
3 do a computer search for a new address using the Settlement Class Member's social security number;
4 this search will be performed only once per Settlement Class Member by the Claims Administrator.
5 Upon completion of these steps by the Claims Administrator, Missry and the Claims Administrator shall
6 be deemed to have satisfied their obligations to provide the Notice to the affected members of the
7 Settlement Class. The affected members of the Settlement Class shall remain a member of the
8 Settlement Class and shall be bound by all the terms of the Stipulation of Settlement and the Court's
9 Order and Final Judgment.

10 d. Claim Forms must be completed in full to be valid. Any employee working at
11 Missry as of August 19, 2015 (whether a Missry W-2 employee or a temporary employee who was
12 placed at Missry by the SSI Defendants) shall not be required to submit claims. If a claim form is not
13 completed in full, the Claims Administrator will send one deficiency notice to the Settlement Class
14 Member advising the Settlement Class Member to cure the deficiency. The deficiency notice will
15 provide the Settlement Class Member ten (10) calendar days from the date of mailing of the deficiency
16 notice to the last day of the claims period, whichever occurs later, to cure the deficiency; the corrected
17 claim form must be postmarked no later than the tenth (10th) day after the date of mailing of the
18 deficiency notice to the last day of the claims period, whichever occurs later, or it must be rejected as
19 untimely by the Claims Administrator.

20 e. Approximately 30 days after mailing of the original Notice, the Claims
21 Administrator shall mail one reminder postcard which shall include the Settlement Class Members'
22 estimated Individual Settlement Payment as well as contact information for Releasees' Counsel and the
23 Settlement Administrator, to all Settlement Class Members who have not yet submitted a Claim Form or
24 an Opt-Out Form, to remind them of the claim deadline. The postcard shall be mailed to such
25 Settlement Class Members via first-class regular U.S. Mail, using the most current mailing address
26 information then available for the Settlement Class Members.

27 f. The Claims Administrator will be responsible for making appropriate deductions,
28 filing appropriate reports with taxing authorities, and issuing the Individual Settlement Amount awards.

1 The Claims Administrator's duties will include handling all mailings to the Settlement Class, tracing
2 undeliverable mailings, recording and tracking responses to the mailings to the Settlement Class
3 (including recording the identity of any Settlement Class Members who submits verifications or opts out
4 of the Settlement), responding to inquiries made by the Settlement Class, calculating Individual
5 Settlement Payments, issuance of and mailing out of Individual Settlement Amount awards, tax
6 reporting, and other related tasks as mutually agreed to by the Parties in the Case.

7 g. The Claims Administrator will establish a Qualified Settlement Fund ("QSF")
8 pursuant to section 468B (g) of the Internal Revenue Code, and regulations promulgated there under for
9 the purpose of administering this Settlement.

10 h. Class Counsel shall provide to the Court, at least five (5) calendar days prior to
11 the final fairness hearing, a declaration by the Claims Administrator of due diligence and proof of
12 mailing with regard to the mailing of the Notice, and the Claim Form.

13 **CLAIM PROCESS**

14 18. Each Settlement Class Member will have sixty (60) calendar days from the mailing of the
15 Claim Forms within which to postmark his or her Claim Form for return to the Claims Administrator.
16 No Claim Forms will be honored if postmarked after the sixty (60) calendar-day period for the filing of
17 Claims, unless the parties mutually agree to accept the untimely claim. Any employee working at Missry
18 as of August 19, 2015 (whether a Missry W-2 employee or a temporary employee who was placed at
19 Missry by the SSI Defendants) shall not be required to submit claims. Each Settlement Class Member is
20 responsible to maintain a photocopy of the fully completed Claim Form and record of proof of mailing.

21 19. All original Claim Forms shall be sent directly by the Settlement Class Member to the
22 Claims Administrator at the address indicated on the Claim Form. The Claims Administrator shall
23 review the Claim Forms and calculate the Individual Settlement Payment. The Claims Administrator
24 will certify jointly to Class Counsel and Releasees' Counsel what claims were timely filed. The Claims
25 Administrator shall cause the Individual Settlement Payments to be mailed to the Settlement Class
26 Members within fifteen (15) calendar days of the Effective Date of the Settlement. Any Individual
27 Settlement Payment checks shall remain valid and negotiable for one hundred twenty (120) calendar
28 days from the date of their issuance and will automatically be cancelled by the Claims Administrator if

1 not cashed by the Settlement Class Member within that time. Individual Settlement Payment checks
2 which have expired will not be reissued. Funds from un-cashed checks will revert to the State of
3 California's unclaimed property fund based on the 120-day void date. Upon completion of its
4 calculation of payments, the Claims Administrator shall provide the Class Counsel and Releasees'
5 Counsel with a report listing the amount of all payments to be made to each Settlement Class Member.

6 **ATTORNEY'S FEES AND COSTS**

7 20. In consideration for settling this matter and in exchange for the release of all claims by
8 the Settlement Class, and subject to final approval and/or modification by the Court, Missry will not
9 object to Class Counsel's application for attorneys' fees up to \$233,333.33 and costs up to \$10,000.00,
10 as set forth in this Settlement. The amounts set forth above will cover all work performed and all fees
11 and costs incurred to date, and all work to be performed and all fees and costs to be incurred in
12 connection with the approval by the Court of this Settlement, the administration of the Settlement, and
13 obtaining and judgment in this case. Should Class Counsel request a lesser amount and/or the Court
14 approve a lesser amount(s) of attorneys' fees and/or attorneys' costs, the difference between the lesser
15 amount(s) and the maximum amount set forth above shall be added to the Net Settlement Amount.

16 21. The attorneys' fees and costs approved by the Court shall be paid to Class Counsel within
17 fifteen (15) calendar days following the Effective Date of the Settlement

18 **RELEASES**

19 22. Upon the final approval by the Court of this Stipulation of Settlement, and except as to
20 such rights or claims as may be created by this Settlement, the Class Representatives, the Settlement
21 Class and each Settlement Class Member who has not submitted a valid and timely request for
22 exclusion, each fully releases and discharges Releasees and each of them from any and all claims, debts,
23 liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, action or causes
24 of action arising from or related to this case under any federal, state or local law or administrative order
25 that were or which could have been plead based on the facts alleged in the operative class action
26 complaints filed in the Staffing Systems Wage and Hour Cases, whether known or unknown, including
27 all claims under state and federal law relating to payment of compensation, failure to provide meal
28 periods, failure to pay wages, failure to timely pay wages due at termination, violation of Business and

1 Professions Code § 17200 et. seq., conversion, violation of any IWC Wage Order, any other claims
2 under state, federal or local law arising out of or related to the allegations contained in the Complaints
3 filed in the Staffing Systems Wage and Hour Cases, punitive and/or liquidated damages, related
4 penalties, including but not limited to Labor Code sections 200, 203, 223, 226.7, 500, 512, 1194, 1198
5 and 2699 and interest, attorneys' fees, and costs, and any other related claims and/or penalties of any
6 nature whatsoever, for the Settlement Class Period.

7 23. The Claim Form and/or the back of each check issued to a Settlement Class Member will
8 state, "My signature below constitutes a full and complete release by me of Defendants and each of them,
9 and their present and former parent companies, subsidiaries, divisions, related or affiliated companies,
10 shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, from any
11 and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees,
12 damages, action or causes of action arising from or related to this case under any federal, state or local
13 law or administrative order that were or which could have been plead based on the facts alleged in the
14 operative class action complaints filed in the Staffing Systems Wage and Hour Cases, whether known or
15 unknown, including all claims under state and federal law relating to payment of compensation, failure to
16 provide meal periods, failure to pay wages, failure to timely pay wages due at termination, failure to
17 reimburse for necessary business expenditures, violation of Business and Professions Code § 17200 et.
18 seq., violation of any IWC Wage Order, any other claims under state, federal or local law arising out of
19 or related to the allegations contained in the Complaints filed in the Staffing Systems Wage and Hour
20 Cases, punitive and/or liquidated damages, related penalties, including but not limited to Labor Code
21 sections 203, 223, 226, 226.7, 510, 512, 1194, 1198 and 2699, and interest, attorneys' fees, and costs, and
22 any other related claims and/or penalties of any nature whatsoever, for the Class Period. By cashing this
23 settlement check, you affirmatively opt in to the settlement in the *Apodaca v. Missry Associates, Inc.*
24 (Case Number BC 482096), *Grajeda v. Missry Associates, Inc.* (Case Number CIVDS1305826), and *Flor*
25 *Rincon-Barrales v. Staffing Systems, Inc.* (Case Number BC 535243) lawsuits now pending in a
26 coordinated proceeding in the Los Angeles Superior Court (the "Staffing Systems Wage and Hour
27 Cases"), and release Missry Associates, Inc.; Staffing Systems, Inc., Associate Management Resources,
28 Inc., and SSI Staffing, Inc. from all claims and/or causes of that were or which could have been plead

1 based on the facts alleged in any of the Staffing Systems Wage and Hour Cases, whether under federal,
2 state or local law including but not limited to the FLSA, 29 U.S.C. § 201, et seq.” In addition, any
3 Settlement Class Member who has not submitted a valid and timely request for exclusion forever agrees
4 that it, he or she shall not institute any action for meal periods, unpaid wages, unfair competition,
5 liquidated damages, punitive damages, related penalties, attorneys’ fees and costs, or any other relief
6 from any other suit, class or collective action, administrative claim or other related claim of any sort or
7 nature whatsoever against Defendants or any of them, for the Settlement Class Period.

8 **DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL**

9 24. The Parties shall promptly submit this Stipulation of Settlement to the Los Angeles
10 County Superior Court in support of Plaintiff’s Motion for Preliminary Approval and determination by
11 the Court as to its fairness, adequacy, and reasonableness. Promptly upon execution of this Settlement,
12 the parties shall apply to the Court for the entry of an order:

- 13 a. Scheduling a fairness hearing on the question of whether the proposed Settlement,
14 including payment of attorneys’ fees and costs, and the Class Representative service payment, should be
15 finally approved as fair, reasonable and adequate as to the members of the Settlement Class;
- 16 b. Certifying the Settlement Class;
- 17 c. Approving as to form and content the proposed Notice;
- 18 d. Approving as to form and content the proposed Claim Form and Opt-Out Form;
- 19 e. Directing the mailing of the Notice;
- 20 f. Preliminarily approving the Settlement subject only to the objections of
21 Settlement Class Members and final review by the Court; and
- 22 g. Enjoining the Class Representatives and all Settlement Class Members from filing
23 or prosecuting any claims, suits or administrative proceedings (including filing claims with the
24 California Division of Labor Standards Enforcement) regarding the Released Claims unless and until
25 such Settlement Class Members have filed valid and timely requests for exclusion with the Claims
26 Administrator.

27 **DUTIES OF THE PARTIES FOLLOWING FINAL COURT APPROVAL**

28 25. Following final approval by the Court of the settlement provided for in this Stipulation of

1 Settlement, Settlement Class Counsel will submit a proposed final order and judgment in the following
2 form:

3 a. Approving the Settlement, adjudging the terms thereof to
4 be fair, reasonable and adequate, and directing consummation of its terms and
5 provisions;

6 b. Approving Settlement Class Counsel's application for an
7 award of attorneys' fees and costs;

8 c. Approving the service payment to the Class Representative;
9 and

10 d. Permanently barring and enjoining all members of the
11 Settlement Class from prosecuting against Releasees or any of them or any of
12 Releasees' respective present or former parent companies, subsidiaries, related or
13 affiliated companies, shareholders, officers, directors, employees, agents,
14 attorneys, insurers, and successors and assigns, upon satisfaction of all payments
15 and obligations hereunder.

16 **DEFENDANT'S REVOCATION OPTION**

17 26. In the event that greater than ten percent (10%) of the Class Members request exclusion,
18 Defendant Missry at its sole discretion may withdraw from this Settlement by providing written notice
19 to Class counsel within ten (10) calendar days after a notification by the Claims Administrator reflecting
20 that ten percent (10%) or more of the responding Settlement Class Members have filed valid Exclusion
21 Forms.

22 **CONFIDENTIALITY**

23 27. Other than as described herein, the Class Representative and Class Counsel will not make
24 any public disclosure of the Class Settlement. The Class Representative and Class Counsel will not
25 have any communications with the media other than to direct any media representative who inquires to
26 the public records of the case on file with the Court. Class Counsel agrees not to make reference to the
27 Staffing Systems Wage and Hour Cases or the Settlement in any of its internal or external advertising or
28 marketing materials including but not limited to any website(s) maintained by Class Counsel. Class

1 Counsel will take all steps necessary to ensure the Class Representative is aware of, and obtain her strict
2 adherence to, the restrictions against any media comment on the Settlement and its terms. The Parties
3 agree that this is a material term of the settlement and any breach by the Class Representative or Class
4 Counsel would permit Missry to terminate the Settlement.

5 **MUTUAL FULL COOPERATION**

6 28. The Parties agree to fully cooperate with each other to accomplish the terms of this
7 Stipulation of Settlement, including but not limited to, execution of such documents and to take such
8 other action as may reasonably be necessary to implement the terms of this Stipulation of Settlement.
9 The Parties to this Stipulation of Settlement shall use their best efforts, including all efforts
10 contemplated by this Stipulation of Settlement and any other efforts that may become necessary by order
11 of the Court, or otherwise, to effectuate this Stipulation of Settlement and the terms set forth herein. As
12 soon as practicable after execution of this Stipulation of Settlement, Class Counsel shall, with the
13 assistance and cooperation of Missry and its counsel, take all necessary steps to secure the Court's final
14 approval of this Stipulation of Settlement.

15 **NO PRIOR ASSIGNMENTS**

16 29. The Parties hereto represent, covenant, and warrant that they have not directly or
17 indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person
18 or entity any portion of any liability, claim, demand, action, cause of action, or rights herein released and
19 discharged except as set forth herein.

20 **NO ADMISSION**

21 30. Nothing contained herein, nor the consummation of this Stipulation of Settlement, is to
22 be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of
23 Releasees or any of them. Releasees and each of them specifically denies any liability. The Parties
24 hereto have entered into this Stipulation of Settlement with the intention to avoid further disputes and
25 litigation with the attendant inconvenience and expenses.

26 **ENFORCEMENT ACTIONS**

27 31. In the event that one or more of the parties to this Settlement institutes any legal action or
28 other proceeding against any other party or parties to enforce the provisions of this Settlement or to

1 declare rights and/or obligations under this Settlement, the successful party or parties shall be entitled to
2 recover from the unsuccessful party or parties reasonable attorneys' fees and costs, including expert
3 witness fees incurred in connection with any enforcement actions.

4 **NOTICES**

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

9 **Settlement Class Counsel:**

10 Joseph Cho
11 **AEQUITAS LAW GROUP**
12 12100 Wilshire Blvd., Suite 800
13 Los Angeles CA 90025
14 Telephone: (310) 806-9264
15 Facsimile: (844) 806-9265

16 **Counsel for Defendant:**

17 Joel P. Kelly

18 **JACKSON LEWIS P.C.**

19 725 South Figueroa, Suite 2500
20 Los Angeles, California 90017
21 Telephone: (213) 689-0404
22 Facsimile: (213) 689-0430

23 **CONSTRUCTION**

24 33. The Parties hereto agree that the terms and conditions of this Stipulation of Settlement are
25 the result of lengthy, intensive arms-length negotiations between the Parties, and that this Stipulation of
26 Settlement shall not be construed in favor of or against any party by reason of the extent to which any
27 party or his, her, or its counsel participated in the drafting of this Stipulation of Settlement.

28 **CAPTIONS AND INTERPRETATIONS**

34. Paragraph titles or captions contained herein are inserted as a matter of convenience and
for reference, and in no way define, limit, extend, or describe the scope of this Stipulation of Settlement

1 or any provision hereof. Each term of this Stipulation of Settlement is contractual and not merely a
2 recital.

3 **MODIFICATION**

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

8 **INTEGRATION CLAUSE**

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

13
14 **BINDING ON ASSIGNS**

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

17 **CLASS COUNSEL SIGNATORIES**

18 38. It is agreed that because of the large number of Class Members, it is impossible or
19 impractical to have each Class Member execute this Stipulation. The Notice, Exhibit "A" hereto, will
20 advise Settlement Class Members of the binding nature of the release and such shall have the same force
21 and effect as if this Stipulation of Settlement were executed by each member of the Class.

22 **COUNTERPARTS**

23 39. This Stipulation of Settlement may be executed in counterparts, and when each party has
24 signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and,
25 when taken together with other signed counterparts, shall constitute one Stipulation of Settlement, which
26 shall be binding upon and effective as to all Parties.

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DATED: _____

By: _____

Luis Apodaca
Plaintiff Class Representative

DATED: _____

By: _____

Juan Grajeda
Plaintiff Class Representative

DATED: _____

By: _____

Flor Rincon-Barrales
Plaintiff Class Representative

DATED: _____

By: _____

Menachem Shmool
Defendant Representative
Missry Associates, Inc.

Approved as to Form and Content:

DATED: _____

By: _____

Joseph Cho
AEQUITAS LAW GROUP
Class Counsel for Plaintiffs

DATED: _____

By: _____

Joel P. Kelly
JACKSON LEWIS, LLP
Attorneys for Defendant

4842-2719-9539, v. 1-8842-9869, v. 1