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20 *(Additional Counsel on Next Page)*

21  
22 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
23 FOR THE COUNTY OF SAN MATEO  
24

25 NORMA SERRANO, an individual;  
26 and MARIA GRANDE, an individual;  
27 and on behalf of all others similarly  
28 situated,

Plaintiffs,

v.

BAY BREAD LLC, a Delaware  
Limited Liability Company doing  
business in California; AEROTEK,  
INC., a Maryland Corporation doing  
business in California; FULLBLOOM  
BAKING LLC, a California Limited  
Company; FULLBLOOM BANKING,  
INC., a California corporation; and  
Does 1 through 20, inclusive,

Defendants.

Case No. CIV 526280

Assigned to the Honorable Richard H.  
DuBois For All Purposes, Dept. 16

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

Date Action Filed: January 15, 2014

1 **LAW OFFICES OF MICHAEL H. KIM**

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4 Attorneys for Plaintiff NORMA SERRANO

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## DEFINITIONS

The following definitions are applicable to this Settlement Agreement.

Definitions contained elsewhere in this Settlement Agreement will also be effective.

1. “Action” means *Serrano et al. v. Bay Bread LLC et al.*, Case No. CIV 526280, Superior Court of California for the County of San Mateo.
2. “Class Counsel” means Makarem & Associates, APLC and Law Offices of Michael H. Kim, PC.
3. “Class Member(s)” or “Settlement Class” means all non-exempt workers in California provided by Aerotek to Defendant from January 15, 2010 through December 23, 2015.
4. “Court” means the Superior Court of California for the County of San Mateo.
5. “Defendant” or “Released Parties” means Defendant and all of its present and former parents, subsidiaries, affiliates, and joint ventures, and all of their shareholders, members, managers, officers, officials, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors, and assigns, and any other persons acting by, through, under, or in concert with any of them.
6. “Effective Date” means the later of: (i) the 61st day after the Court enters an order granting final approval of the Settlement, provided no appeal or motion for reconsideration or other efforts to obtain review have been filed; (ii) if any timely appeals or motions for reconsideration or review are filed, the 61st day after final resolution of any such appeals or motions for reconsideration or review have been finally concluded. In this regard, it is the intention of the Parties that the Effective Date of the Settlement shall not be a date before the Court’s order approving the Settlement has become completely final and there is no timely recourse by any person who seeks to object or otherwise contest the Settlement.

1           7.     “Gross Settlement Amount” is the amount of Three Hundred and Forty  
2 Thousand Dollars (\$340,000.00), which is the amount to be paid by Defendant pursuant  
3 to this Settlement Agreement. The Gross Settlement Amount is non-reversionary and  
4 includes: (a) all Individual Settlement Payments to Participating Class Members;  
5 (b) the Labor and Workforce Development Agency Payment; (c) the Class  
6 Representative Enhancement Payment to Plaintiff; (d) Attorneys’ Fees and Costs to  
7 Class Counsel, and (e) Settlement Administration Costs to the Settlement Administrator.  
8 Except for the share of any payroll taxes due on Individual Settlement Payments to  
9 Participating Class Members (“Employer’s Payroll Taxes”), which Defendant will pay  
10 separate from and in addition to the Gross Settlement Amount, Defendant will have no  
11 obligation to pay any amount in connection with this Settlement Agreement apart from  
12 the Gross Settlement Amount.

13           8.     “Individual Settlement Payment” means a Participating Class Member’s  
14 share of the Net Settlement Amount.

15           9.     “Net Settlement Amount” means the Gross Settlement Amount less  
16 deductions for the Labor and Workforce Development Agency Payment, Class  
17 Representative Enhancement Payment, Attorneys’ Fees and Costs, and Settlement  
18 Administration Costs.

19           10.    “Notice of Class Action Settlement” means the Notice of Class Action  
20 Settlement and Estimated Distribution Form, together attached as Exhibit A and Exhibit  
21 B respectively, to be mailed to all members of the Settlement Class upon Preliminary  
22 Approval.

23           11.    “Participating Class Members” means all Class Members who do not  
24 submit valid Requests for Exclusion.

25           12.    “Preliminary Approval” means the Court order granting preliminary  
26 approval of the Settlement Agreement.  
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1 counsel and that they have had an opportunity to consult with their counsel regarding  
2 the fairness and reasonableness of this Settlement. In addition, the Mediator may  
3 execute a declaration supporting the reasonableness of the Settlement and the Court  
4 may, in its discretion, contact the Mediator to discuss the Settlement and whether or not  
5 the Settlement is objectively fair and reasonable.

6       19. Non-Admission of Liability. The Parties enter into this Settlement to  
7 resolve the dispute that has arisen between them and to avoid the burden, expense, and  
8 risk of continued litigation. In entering into this Settlement, Defendant does not admit,  
9 and specifically denies, that it violated any federal, state, or local law; violated any  
10 regulations or guidelines promulgated pursuant to any statute or any other applicable  
11 laws, regulations or legal requirements; breached any contract; violated or breached any  
12 duty; engaged in any misrepresentation or deception; or engaged in any other unlawful  
13 conduct with respect to the Class Members. Neither this Settlement, nor any of its terms  
14 or provisions, nor any of the negotiations connected with it, will be construed as an  
15 admission or concession by Defendant of any such violations or failures to comply with  
16 any applicable law. Except as necessary in a proceeding to enforce the terms of this  
17 Settlement, this Settlement and its terms and provisions will not be offered or received  
18 as evidence in any action or proceeding to establish any liability or admission on the  
19 part of Defendant or to establish the existence of any condition constituting a violation  
20 of, or a non-compliance with, federal, state, local or other applicable law.

21       20. Class Certification. For settlement purposes only, the Parties agree to class  
22 certification of the Settlement Class in accordance with the terms of this Settlement  
23 Agreement. If, for any reason, the Settlement is not fully and finally approved and/or  
24 the Effective Date does not occur, the stipulation of certification will be void *ab initio*,  
25 and Defendant will not be deemed to have waived or limited any objections or defenses  
26 to class certification or any other matter. The Parties further agree that nothing in this  
27 Settlement Agreement will be construed as an admission or acknowledgement in this or  
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1 any other proceeding that either (i) class action certification is proper except as provided  
2 in this paragraph, or (ii) Defendant is liable to Plaintiff or any Class Member other than  
3 in accordance with the terms of this Settlement.

4       21. Waiver and Release. Plaintiff and all Class Members who do not submit a  
5 valid and timely Request for Exclusion, including their agents, affiliates, spouses,  
6 domestic partners, representatives, guardians ad litem, heirs, executors, administrators,  
7 successors, attorneys, and assigns, past, present and future, shall, for the Released  
8 Claims Period, fully and finally waive, release, and forever discharge the Released  
9 Parties from any and all claims (i) asserted in the Action, including in the Fourth  
10 Amended Class Action Complaint filed on August 13, 2015, or (ii) arising from, or  
11 derivative of, the claims or factual allegations asserted in the Action, including those  
12 concerning Defendant’s practices regarding meal breaks and break premiums  
13 (“Released Claims”). The Released Claims include, but are not limited to, any claims,  
14 rights, demands, liabilities, and causes of action of any kind or nature in law or in  
15 equity, under any theory, whether contract, common law, constitutional, statutory or  
16 otherwise, of any jurisdiction, foreign or domestic, whether known or unknown,  
17 anticipated or unanticipated, including for damages, restitution, penalties, interest, costs,  
18 attorneys’ fees, expenses, equitable relief, injunctive relief, and any other relief.

19       This waiver and release will be final and binding on the Effective Date, and will  
20 have every preclusive effect permitted by law. With respect to the Released Claims  
21 only, on the Effective Date, Plaintiff and Class Members who do not submit a valid and  
22 timely Request for Exclusion will be deemed expressly to have waived the provisions,  
23 rights, and benefits of California Civil code section 1542, which provides:

24       A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE  
25       CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO  
26       EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE  
27       RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE  
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1 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE  
2 DEBTOR OR RELEASED PARTY.

3 With respect to the Released Claims only, Plaintiff and Class Members hereafter  
4 may discover facts in addition to or different from those which they now know or  
5 believe to be true with respect to some or all of the Released Claims (including  
6 unknown claims as defined above), but Plaintiff and each Class Member will be deemed  
7 as of the Effective Date to have fully and finally released, discharged, and settled all  
8 Released Claims (including unknown claims as defined above), suspected or  
9 unsuspected, contingent or non-contingent, whether or not concealed or hidden, which  
10 have existed, now exist, or come into existence in the future as defined above.

11 Plaintiff and Class Members will not file, and will not request any other party or  
12 entity to file on their behalf, any claim, complaint, charge or request for damages or any  
13 other relief released above, including with any local, state, or federal governmental or  
14 quasi-governmental agency or any state, administrative, or federal court, or any  
15 licensing or accreditation organization, against the Released Parties.

16 22. Release of Additional Claims and Rights by Plaintiff. As of the Effective  
17 Date, and as a condition of receiving any portion of her Class Representative  
18 Enhancement Payment, Plaintiff agrees to the additional following General Release: In  
19 consideration of Defendant's promises and agreements as set forth herein, Plaintiff  
20 hereby fully releases the Released Parties from any and all Released Claims and also  
21 generally releases and discharges the Released Parties from any and all claims,  
22 demands, obligations, causes of action, rights, or liabilities of any kind which have been  
23 or could have been asserted against the Released Parties through the date that this  
24 Agreement is fully executed. This general release includes, but is not limited to, claims  
25 arising out of or relating to Plaintiff's alleged employment and/or alleged joint  
26 employment by Defendant and/or the termination of her alleged employment with  
27 Defendant, including but not limited to any and all claims for violation of any section of  
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1 the California Labor Code and/or Wage Orders; violation of the Fair Labor Standards  
2 Act (“FLSA”); failure to pay wages, benefits, vacation pay, severance pay, final pay, or  
3 other compensation of any sort; fraud; intentional or negligent misrepresentation; breach  
4 of contract; promissory estoppel; wrongful termination; retaliation; violation of public  
5 policy; breach of implied covenant of good faith and fair dealing; defamation; unlawful  
6 effort to prevent employment; sexual harassment; discrimination on the basis of race,  
7 color, sex, national origin, ancestry, religion, age, disability, handicap, medical  
8 condition, marital status or any other protected class; any claim under the Fair Credit  
9 Reporting Act, California Consumer Credit Reporting Agencies Act, California  
10 Investigative Consumer Reporting Agencies Act, or other laws regarding background  
11 checks; any claim under Title VII of the Civil Rights Act of 1964 (Title VII, as  
12 amended), 42 U.S.C. §§ 2000, *et seq.*; the Americans with Disabilities Act (“ADA”), the  
13 Age Discrimination in Employment Act (“ADEA”), the California Fair Employment  
14 and Housing Act (“FEHA”), or California Government Code §§ 12940 *et seq.*; violation  
15 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”); violation  
16 of the Occupational Safety and Health Act (“OSHA”) or any other health and/or safety  
17 laws, statutes or regulations; violation of the Employment Retirement Income Security  
18 Act of 1974 (“ERISA”); violation of the Internal Revenue Code; any other claim arising  
19 from employment or termination of employment; or other common law or tort matters  
20 and all other claims under federal, state, or local law. This release specifically includes  
21 any and all claims, demands, obligations and/or causes of action for damages,  
22 restitution, penalties, injunctive or equitable relief, interest, and attorneys’ fees and costs  
23 (except as provided by the Settlement Agreement) relating to or in any way connected  
24 with the matters referred to herein, whether or not known or suspected to exist, and  
25 whether or not specifically or particularly described herein. Specifically, Plaintiff  
26 waives all rights and benefits afforded by California Civil Code Section 1542, which  
27 provides:  
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1 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE  
2 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO  
3 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE  
4 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE  
5 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE  
6 DEBTOR OR RELEASED PARTY.

7 23. Individual Settlement Payment Calculations. Individual Settlement  
8 Payments will be calculated and apportioned from the Net Settlement Amount based on  
9 the number of Workweeks a Participating Class Member worked for Defendant during  
10 the Released Claims Period. The Settlement Administrator will calculate the total  
11 number of Workweeks worked by each Class Member for Defendant during the  
12 Released Claims Period and the aggregate total number of Workweeks worked by all  
13 Class Members for Defendant during the Released Claims Period. For purposes of  
14 making these calculations, the Settlement Administrator will use the payroll records  
15 produced by Aerotek at Bates Number “AERO-SERR 019559 – CONFIDENTIAL,”  
16 which Defendant will provide to the Settlement Administrator within twenty-one (21)  
17 days of Preliminary Approval. Using these payroll records, the Settlement  
18 Administrator will deem any week in which a Class Member received pay a Workweek  
19 when one of the following entities are listed in the “CLIENT\_NAME” column  
20 corresponding to the week: New French Bakery, Inc., Bay Bread, LLC, and Starbucks  
21 Corporation. Any Class Member who does not have pay records for work performed at  
22 one of these entities will be deemed to have worked an average number of Workweeks,  
23 based on the number of Workweeks worked by other Class Members, subject to the  
24 dispute procedures in Paragraph 33. To determine each Class Member’s estimated  
25 “Individual Settlement Payment,” the Settlement Administrator will use the following  
26 formula: The Net Settlement Amount will be divided by the aggregate total number of  
27 Workweeks, resulting in the “Workweek Value.” Each Class Member’s “Individual  
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1 Settlement Payment” will be calculated by multiplying each individual Class Member’s  
2 total number of Workweeks by the Workweek Value. The Individual Settlement  
3 Payment will be reduced by any required deductions for each Participating Class  
4 Member, including appropriate tax withholdings or deductions. The Parties agree that  
5 the formula described herein is reasonable and that the payments are designed to  
6 provide a fair settlement to each Settlement Class Member in light of the uncertainties  
7 regarding the compensation alleged to be owed and the calculation of such amounts.

8       24. Attorneys’ Fees and Costs. Class Counsel will seek an award of Attorneys’  
9 Fees of not more than thirty-three and thirty-three hundredths percent (33.33%) of the  
10 Gross Settlement Fund, or One Hundred Thirteen Thousand and Three Hundred and  
11 Twenty Two Dollars (\$113,322.00) in attorneys’ fees, and attorneys’ reasonable  
12 litigation costs (including any expert costs) of not more than Forty-Five Thousand  
13 Dollars (\$45,000.00), and Defendant agrees not to oppose such application. These  
14 amounts include, without limitation, all time expended by Plaintiff’s Counsel in  
15 defending and preparing the Settlement Agreement and securing Preliminary and Final  
16 Approval (including any appeals therein), and there will be no additional charge of any  
17 kind to either the Settlement Class Members or Defendant for such work.

18       All Attorneys’ Fees and Costs will be paid from the Gross Settlement Amount.  
19 Plaintiff and Class Counsel will not have the right to revoke this Settlement in the event  
20 that the Court does not approve the amount of Attorneys’ Fees and Costs sought by  
21 Class Counsel. If the Court reduces the requested attorneys’ fees, costs and expenses,  
22 any such reduction will be added to the Net Settlement Amount available to class  
23 members.

24       25. Class Representative Enhancement Payment. Plaintiff will apply to the  
25 Court for a Class Representative Enhancement Payment of not more than Seven  
26 Thousand and Five Hundred Dollars (\$7,500), without deductions, for her effort and  
27 work in prosecuting the Action on behalf of Class Members, and Defendant agrees not  
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1 to oppose such application. The Class Representative Enhancement Payment, which  
2 will be paid from the Gross Settlement Amount, will be in addition to Plaintiff's right to  
3 an Individual Settlement Payment. Plaintiff will be solely and legally responsible to pay  
4 any and all applicable taxes on the payments made pursuant to this paragraph and will  
5 hold Defendant harmless from any claim or liability for taxes, penalties, or interest  
6 arising as a result of the payments. Plaintiff will not have the right to revoke this  
7 Settlement in the event that the Court does not approve the amount sought by Plaintiff  
8 as a Class Representative Enhancement Payment. If the Court reduces the requested  
9 Class Representative Enhancement Payment, any such reduction will be added to the  
10 Net Settlement Amount.

11       26. Labor and Workforce Development Agency Payment. Subject to Court  
12 approval, the Parties agree that the amount of Ten Thousand Dollars (\$10,000) from the  
13 Gross Settlement Amount will be paid in settlement of all individual and representative  
14 claims brought in the Action by or on behalf of Plaintiff and Class Members and  
15 aggrieved parties under the Labor Code Private Attorneys General Act of 2004 (Cal.  
16 Lab. Code §§ 2698, *et seq.*, "PAGA"). Pursuant to PAGA, Seventy-Five Percent (75%)  
17 of this sum, or Seven Thousand and Five Hundred Dollars (\$7,500), will be paid to the  
18 Labor and Workforce Development Agency ("LWDA") and Twenty-Five Percent  
19 (25%), or Two Thousand and Five Hundred Dollars (\$2,500), will remain in the Net  
20 Settlement Amount.

21       27. Settlement Administration Costs. The Settlement Administrator will be  
22 paid for the reasonable costs of administration of the Settlement and calculation and  
23 distribution of payments, up to a maximum of \$20,000. These costs, which will be paid  
24 from the Gross Settlement Amount, will include, *inter alia*, the required tax reporting on  
25 the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, preparing,  
26 distributing, and tracking Notices of Class Action Settlement, confirming/auditing  
27 claims for payments for compliance with the Settlement, calculating and distributing all  
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1 payments to be made pursuant to the Settlement, calculating and at Defendant's option  
2 making the payments with respect to the Employer's share of Payroll Taxes, and  
3 providing reports and declarations.

4       28. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the  
5 Court to request the Preliminary Approval of the Settlement Agreement, and the entry of  
6 a Preliminary Approval Order for: (i) conditional certification of the Settlement Class  
7 for settlement purposes only, (ii) preliminary approval of the proposed Settlement  
8 Agreement, and (iii) setting a date for a Final Approval/Settlement Fairness Hearing.  
9 The Preliminary Approval Order will provide for the Notice of Class Action Settlement  
10 to be sent to all Class Members as specified herein. In conjunction with the Preliminary  
11 Approval hearing, Plaintiff will submit this Settlement Agreement, which sets forth the  
12 terms of this Settlement, and will include the proposed Notice of Class Action  
13 Settlement and proposed Estimated Distribution Form.

14       29. Delivery of the Class List. "Class List" means a complete list of all Class  
15 Members that Defendant will diligently and in good faith request and compile from  
16 Aerotek's records. The Class List will include the following information from  
17 Aerotek's records: each Class Member's full name; most recent mailing address and  
18 telephone number. Within twenty-one (21) days of Preliminary Approval, Defendant  
19 will provide the Class List to the Settlement Administrator; Plaintiff's counsel will not  
20 receive a copy of the list. However, within seven (7) days of receipt of the Class List  
21 from Defendant, the Settlement Administrator shall provide to Class Counsel and  
22 Defendant's counsel a copy of the administration spreadsheet, with identifying  
23 information redacted except for that of Plaintiff, so that the Parties can review the  
24 estimated calculations of Workweeks and payment thereto to ensure accuracy. The  
25 Settlement Administrator shall not use the Class List or any information contained  
26 therein for any purpose other than to administer the Settlement in accordance with this  
27 Agreement. Upon completion of the administration of the Settlement, the Settlement  
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1 Administrator shall destroy the Class List and any information contained therein or  
2 return it and all copies to Defendant.

3       30. Notices of Class Action Settlement. Within seven (7) calendar days after  
4 providing Class Counsel and Defendant's counsel the redacted administration  
5 spreadsheet, assuming the Parties have no changes to said spreadsheet, the Settlement  
6 Administrator will mail a Notice of Class Action Settlement to all Class Members via  
7 regular First-Class U.S. Mail, using the most current, known mailing addresses  
8 identified in the Class List. The Notice of Class Action Settlement will be in the form  
9 attached as Exhibit A, or as provided by Court order, and will include, but not be limited  
10 to, information regarding the nature of the Action; a summary of the substance of the  
11 Settlement, including Defendant's denial of liability; the definition of the Settlement  
12 Class; the procedure and time period for objecting to the Settlement and participating in  
13 the Final Approval hearing; how settlement payments will be calculated; a statement  
14 that the Court has preliminarily approved the Settlement; a statement that Class  
15 Members will release the settled claims unless they opt out; information regarding the  
16 opt-out procedure; and the estimated payment based on Workweeks as contained in the  
17 Estimated Distribution Form attached hereto as Exhibit B.

18       31. If the total number of Class Members increases by eight percent (8%) or  
19 more from the Parties' November 20, 2020 estimate of 868 total Class Members, as  
20 determined before the notice of class settlement is distributed to the Class Members, the  
21 Gross Settlement Amount shall increase by the same percentage. For example, if the  
22 total number of Class Members increases by ten percent (10%), the Gross Settlement  
23 Amount shall automatically increase by ten percent (10 %).

24       32. Confirmation of Contact Information. Prior to mailing, the Settlement  
25 Administrator will perform a search based on the National Change of Address Database  
26 for information to update and correct for any known or identifiable address changes.  
27 Any Notices of Class Action Settlement returned to the Settlement Administrator as  
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1 non-deliverable on or before the Response Deadline will be sent promptly via regular  
2 First-Class U.S. Mail to the forwarding address affixed thereto, and the Settlement  
3 Administrator will indicate the date of such re-mailing on the Notice of Class Action  
4 Settlement. If no forwarding address is provided, the Settlement Administrator will  
5 promptly attempt to determine the correct address using an Accurant search/skip-trace,  
6 and will then perform a single re-mailing. With regard to any Class Member whose  
7 Notice of Class Action Settlement is returned as non-deliverable, and for whom the  
8 Settlement Administrator is unable to determine a reliable address using reasonable and  
9 customary methods, their Individual Settlement Payment will be provided by the  
10 Settlement Administrator as part of the funds that will escheat to the State of California  
11 Unclaimed Wages Fund as described in Paragraph 46 below.

12       33. Disputed Information on Notices of Class Action Settlement. Class  
13 Members will have an opportunity to dispute their number of Workweeks as stated in  
14 their Estimated Distribution Form, provided they file a dispute with the Settlement  
15 Administrator in writing postmarked no later than 30 days after the mailing of the  
16 Notices of Class Action Settlement. To the extent that Class Members dispute the  
17 number of Workweeks, Class Members may produce evidence to the Settlement  
18 Administrator showing that such information is inaccurate. The Settlement  
19 Administrator will advise the Parties of such dispute, allow Defendant ten (10) business  
20 days after being notified in writing to respond with any additional information or  
21 records, and then decide the dispute. Aerotek's records will be presumed correct, but  
22 the Settlement Administrator will evaluate the evidence submitted by the Class Member  
23 and will make the final decision as to the merits of the dispute.

24       34. Requests for Exclusion. Any Class Member who does not affirmatively opt  
25 out of the Settlement Agreement by submitting a timely and valid Request for Exclusion  
26 will be bound by all of the Settlement Agreement's terms, including those pertaining to  
27 the Released Claims, as well as any Judgment that may be entered by the Court if it  
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1 grants final approval of the Settlement. Any Class Member wishing to opt-out from the  
2 Settlement Agreement must sign and postmark a written “Request for Exclusion” to the  
3 Settlement Administrator within the Response Deadline. The Request for Exclusion  
4 must: (i) set forth the name, address, telephone number and the last four digits of the  
5 Social Security Number of the Class Member requesting exclusion; (ii) be signed by the  
6 Class Member; (iii) be returned to the Settlement Administrator; (iv) clearly state that  
7 the Class Member does not wish to be included in the Settlement; and (v) be postmarked  
8 on or before the Response Deadline. The postmark date will be the exclusive means to  
9 determine whether a Request for Exclusion has been timely submitted. The Parties and  
10 their attorneys and the Named Plaintiff will not solicit or encourage any Class Member,  
11 directly or indirectly, to opt out of the Settlement Agreement. Any such action or  
12 attempt to do so will be deemed a material breach of the Agreement.

13 35. Defective Submissions. If a Class Member’s Request for Exclusion is  
14 defective as to the requirements listed herein, that Class Member will be given an  
15 opportunity to cure the defect(s). The Settlement Administrator will attempt to contact  
16 the Class Member by telephone and mail the Class Member a cure letter within  
17 three (3) business days of receiving the defective submission to advise the Class  
18 Member that his or her submission is defective and that the defect must be cured to  
19 render the Request for Exclusion valid. The Class Member will have until (i) the  
20 Response Deadline or (ii) fifteen (15) calendar days from the date of the cure letter,  
21 whichever date is later, to postmark a revised Request for Exclusion. If the revised  
22 Request for Exclusion is not postmarked within that period, it will be deemed untimely.

23 36. Objection Procedures. To object to the Settlement Agreement  
24 (“Objection”), a Class Member must mail a written Objection to the Settlement  
25 Agreement to the Settlement Administrator before the Response Deadline or file it with  
26 the Court and serve it on counsel for both parties on or before the Response Deadline.  
27 The Objection must include: (a) the objector’s full name, signature, address, and  
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1 telephone number, and (b) a written statement of all grounds for the Objection. The  
2 postmark date of the Objection will be deemed the exclusive means for determining that  
3 the Objection is timely. Class Members who fail to object in the manner specified  
4 above will be deemed to have waived all Objections to the Settlement and will be  
5 foreclosed from making any Objections, whether by appeal or otherwise, to the  
6 Settlement Agreement. Only Class Members who file and serve timely Objections will  
7 have a right to appear at the Final Approval Hearing in order to have their Objections  
8 heard by the Court but a Class Member who mails a timely Objection as described  
9 above need not appear to have their Objection considered by the Court. At no time will  
10 any of the Parties or their counsel seek to solicit or otherwise encourage Class Members  
11 to submit Objections to the Settlement Agreement or appeal from the Order and  
12 Judgment. Class Counsel will not represent any Class Members with respect to any  
13 such Objections to this Settlement.

14       37. Reports Regarding Settlement Administration. The Settlement  
15 Administrator will provide Defendant's counsel and Class Counsel a weekly report that  
16 certifies the number of Class Members who have submitted valid Requests for  
17 Exclusion, Objections, and disputes regarding dates they performed work and/or  
18 Workweeks calculations. Additionally, the Settlement Administrator will provide to  
19 counsel for both Parties any updated reports regarding the administration of the  
20 Settlement Agreement as needed or requested and will immediately forward to the  
21 Parties any objections mailed to the Claims Administrator.

22       38. Rights of Termination. Except as set forth above, if the Court or, in the  
23 event of an appeal, any appellate court refuses to approve, or modifies, any material  
24 aspect of this Agreement or the proposed Preliminary Approval Order or Final Approval  
25 Order and Judgment, including but not limited to any judicial findings included therein,  
26 Plaintiff or Defendant may terminate this Agreement and the Settlement as set forth  
27 below. The Parties acknowledge and agree that any modification to the terms of this  
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1 Agreement relating to the scope of the release, or to Defendant's financial obligations,  
2 shall be deemed a material modification constituting grounds for cancellation or  
3 termination of the Agreement and the Settlement.

4         Within fifteen (15) days of the Settlement Administrator receiving notice from  
5 any Party of such termination or failure, (i) the Settlement Administrator shall return the  
6 balance of the settlement fund, including any interest, to Defendant, and (ii) the  
7 Settlement Administrator shall provide the Parties with a report of all Administration  
8 Costs incurred. The Party terminating the Agreement will be responsible for paying any  
9 Administration Costs. If the Parties mutually terminate the Agreement, Plaintiff and  
10 Defendant each will be responsible for paying fifty percent (50%) of any Administration  
11 Costs.

12         39. Limited Right to Cancel. If five percent (5%) or more of the Class  
13 Members submit valid and timely Requests for Exclusion, Defendant shall have the  
14 absolute right, in its sole discretion, and notwithstanding any other provisions of the  
15 Settlement Agreement, to withdraw from, and cancel, without penalty whatsoever, the  
16 Settlement Agreement in its entirety. If Defendant exercises the right to cancel, it shall  
17 pay the cost of the Third-Party Administrator incurred for administering the Settlement  
18 up to that date. If this right is exercised by Defendant, the Settlement Agreement will be  
19 null and void for all purposes and may not be used or introduced in further litigation.  
20 The right can be exercised only by a writing stating clearly that Defendant is canceling,  
21 and withdrawing from, the Settlement Agreement, which is sent by Defendant's counsel  
22 to Class Counsel by mail or email no later than five (5) business days after the Response  
23 Deadline. If the right provided in this paragraph is not so exercised, it shall be waived  
24 and cannot later be exercised.

25         40. Final Settlement Approval Hearing and Entry of Judgment. Upon  
26 expiration of the deadlines to postmark Requests for Exclusion or Objections to the  
27 Settlement Agreement, and with the Court's permission, a Final Approval/Settlement  
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1 Fairness Hearing will be conducted to determine the Final Approval of the Settlement  
2 Agreement along with the amounts properly payable for: (i) Individual Settlement  
3 Payments; (ii) the LWDA Payment; (ii) the Class Representative Enhancement  
4 Payment; (iii) Attorneys' Fees and Costs; and (iv) all Settlement Administration Costs.  
5 The Final Approval/Settlement Fairness Hearing will not be held earlier than thirty (30)  
6 days after the Response Deadline. Class Counsel will be responsible for drafting all  
7 documents necessary to obtain final approval, and will provide Defendant's counsel  
8 reasonable opportunity to review and provide comments regarding such documents  
9 before they are filed. Class Counsel will also be responsible for drafting the attorneys'  
10 fees and costs application.

11 41. All Terms Subject to Final Court Approval. All amounts and procedures  
12 described in this Settlement Agreement herein will be subject to final Court approval.

13 42. Invalidity of Any Provision. Before declaring any provision of this  
14 Settlement Agreement invalid, the Court will first attempt to construe the provision as  
15 valid to the fullest extent possible consistent with applicable precedents so as to define  
16 all provisions of this Settlement Agreement as valid and enforceable.

17 43. Judgment and Continued Jurisdiction. Contemporaneous with Plaintiff  
18 filing the motion for final approval of the settlement, the Parties will present an agreed  
19 form of the Proposed Judgment to the Court for its consideration. The Court, in its  
20 discretion, may enter a Judgment approved by it. After entry of the Judgment, the Court  
21 will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation  
22 and enforcement of the terms of the Settlement, (ii) Settlement administration matters,  
23 and (iii) such post-Judgment matters as may be appropriate under court rules or as set  
24 forth in this Settlement Agreement pursuant to California Code of Civil Procedure  
25 section 664.6. In the event that a motion to enforce this Agreement is required to be  
26 filed due to a party's failure to comply with the terms herein, the prevailing party shall  
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1 be awarded reasonable attorneys' fees and costs, which shall be in addition to any  
2 amounts to be paid under this settlement.

3       44. Funding of the Gross Settlement Amount. Within ten (10) days after the  
4 Effective Date, Defendant will deposit the Gross Settlement Amount into a settlement  
5 fund to be established by the Settlement Administrator by check, Automated Clearing  
6 House (ACH) transfer, or wire transfer.

7       45. Distribution and Timing of Individual Settlement Payments. Within seven  
8 (7) days of the receipt of the Gross Settlement Amount from Defendant, the Settlement  
9 Administrator shall provide Class Counsel and Defendant's counsel the administration  
10 spreadsheet, with identifying information redacted save for that of Plaintiff, regarding  
11 the final calculations for purposes of distributing the Gross Settlement Amount. The  
12 Parties must submit any requested changes to the spreadsheet, or confirm that they do  
13 not have any requested changes, within seven (7) days of receipt. Within fourteen (14)  
14 days of both Parties confirming that they do not have requested changes to the  
15 spreadsheet, the Settlement Administrator will issue payments to: (i) Participating Class  
16 Members; (ii) the LWDA; (iii) Plaintiff for the Class Representative Enhancement  
17 payment; and (iv) Class Counsel for attorneys' fees and costs. The Parties and the  
18 Settlement Administrator shall cooperate in finalizing the final calculations as contained  
19 in the spreadsheet prior to the distribution of funds from the Gross Settlement Amount  
20 to comply with the time specifications alleged herein. The Settlement Administrator  
21 will also issue a payment to itself for Court-approved services performed in connection  
22 with the Settlement upon providing the certificate of completion described in  
23 Paragraph 47. At Defendant's discretion, the Settlement Administrator will also timely  
24 distribute the Employer's Payroll Taxes to the appropriate government authorities.

25       46. Unclaimed Funds. Participating Class Members will also be mailed checks  
26 for their Individual Settlement Payments within fourteen (14) days of the Settlement  
27 Administrator providing the administration spreadsheet for the Parties' review, assuming  
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1 the Parties have no changes thereto and subject to the cooperation provisions in  
2 Paragraph 45, except that checks will not be sent to Class Members whose Notice of  
3 Class Action Settlement and Estimated Distribution Form are returned as non-  
4 deliverable and for whom the Settlement Administrator is unable to determine a reliable  
5 address using reasonable and customary methods. Rather, the Individual Settlement  
6 Payments corresponding to Class Members who cannot be located, if any, will be held  
7 by the administrator to be submitted to the State of California Unclaimed Wages Fund at  
8 the end of the check cashing deadline of 180 days. Checks will remain negotiable for  
9 180 days. If any Class Member does not cash his or her check within 180 days, the  
10 check will be void. This limitation shall be printed on the face of each check. The  
11 avoidance of checks shall have no effect on the Class Members' release of claims,  
12 obligations, representations, or warranties as provided herein, which shall remain in full  
13 effect.

14 The value of any uncashed checks by the 180-day deadline will be tendered by  
15 the Settlement Administrator via proper escheatment procedures to the State of  
16 California Unclaimed Wages Fund in the name of and for the benefit of such  
17 Participating Class Members. Settlement Class Members who may be entitled to an  
18 Individual Settlement Payment but who were not located before the Notice of Class  
19 Action Settlement and/or the initial Distribution of Individual Settlement Payments,  
20 may request their payment from the State of California Unclaimed Wages Fund.

21 47. Certification of Completion. Upon completion of administration of the  
22 Settlement, within ten (10) days after the 180-day period in Paragraph 46, the  
23 Settlement Administrator will provide a written declaration under oath to certify such  
24 completion to the Court and counsel for all Parties and to specify that monies, if any,  
25 have been provided by the Settlement Administrator via proper escheatment procedures  
26 to the State of California Unclaimed Wages Fund, in the name of and for the benefit of  
27 such Participating Class Members.  
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1           48.    No Credit Towards Benefit Plans. The Individual Settlement Payments  
2 made to Participating Class Members under this Settlement, as well as any other  
3 payments made pursuant to this Settlement, will not be utilized to calculate any  
4 additional benefits under any benefit plans for which any Class Members may be  
5 eligible, including, but not limited to: (i) profit-sharing plans, (ii) bonus plans,  
6 (iii) 401(k) plans, (iv) stock purchase plans, (v) vacation plans, (vi) sick leave plans,  
7 (vii) PTO plans, and (viii) any other benefit plan. Rather, it is the Parties' intention that  
8 this Settlement Agreement will not affect any rights, contributions, or amounts to which  
9 any Class Members may be entitled under any benefit plans.

10           49.    Tax Treatment of Individual Settlement Payments. All Individual  
11 Settlement Payments will be allocated as follows: thirty-three percent (33%) of each  
12 Individual Settlement Payment will be allocated as wages for which IRS Forms W-2  
13 will be issued; and the remaining sixty-seven percent (67%) will be allocated as  
14 penalties and interest for which IRS Forms 1099-MISC will be issued. The Settlement  
15 Administrator will issue all W-2 and 1099-MISC forms. In the event the Court is not  
16 willing to approve the Settlement with the tax allocation proposed by the Parties, this  
17 shall not be a basis for any Party to cancel or withdraw from the Settlement; rather, the  
18 parties will work in good faith to propose another tax allocation that might be  
19 acceptable to the Court.

20           50.    Administration of Taxes by the Settlement Administrator. The Settlement  
21 Administrator will be responsible for issuing to Plaintiff, Participating Class Members,  
22 and Class Counsel any W-2, 1099, and/or other tax forms as may be required by law for  
23 all amounts paid pursuant to this Settlement. The Settlement Administrator will also be  
24 responsible for forwarding the Class Member's share of all payroll taxes and penalties  
25 to the appropriate government authorities. In addition, at Defendant's discretion, the  
26 Settlement Administrator shall be responsible for distributing the Employer's Payroll  
27 Taxes in the proper amounts to the appropriate government authorities.  
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1           51. Tax Liability. Plaintiff and Participating Class Members understand and  
2 agree that except for the Employer’s Payroll Taxes, Plaintiff and Participating Class  
3 Members will be solely responsible for the payment of any and all taxes and penalties  
4 assessed on the payments as described herein. Defendant makes no representation as to  
5 the tax treatment or legal effect of the payments called for hereunder, and Plaintiff and  
6 Participating Class Members are not relying on any statement, representation, or  
7 calculation by Defendant or by the Settlement Administrator in this regard.

8           52. Confidentiality. The Parties and their counsel agree that they will not issue  
9 any media releases, alerts or notices, initiate or encourage any contact with the media,  
10 engage in any advertising, distribute any marketing materials, or make any  
11 announcements through any form of media about the fact, amount, negotiation, or terms  
12 of the Settlement. Nothing in this paragraph shall prevent Defendant from disclosing  
13 and discussing information concerning the Settlement, the settlement amount, or the  
14 circumstances surrounding or giving rise to the Settlement, prior to the filing of the  
15 preliminary approval motion to the extent that Defendant believes that doing so is  
16 required under the laws, rules, or regulations applicable to publicly-traded companies,  
17 including in public filings, in communicating with investors, or in its earnings  
18 conference calls. Nothing in this paragraph shall restrict Plaintiff’s counsel from  
19 communicating with Class Members about the Settlement in their role as Class Counsel  
20 after Preliminary Approval. Nothing in this paragraph shall restrict Plaintiff’s counsel  
21 from responding to questions or unsolicited media inquiries about the Settlement except  
22 that they may only disclose that “this litigation has been resolved to the satisfaction of  
23 all parties” and then refer media to court filings.

24           53. Confidential Documents. Within 60 days of the expiration of the Check  
25 Cashing Deadline, each Party shall return, or confirm the destruction of, any documents  
26 or information that another Party designated as confidential pursuant to an applicable  
27 agreement or protective order.  
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1           54.    No Prior Assignments. The Parties and their counsel represent, covenant,  
2 and warrant that they have not directly or indirectly assigned, transferred, encumbered,  
3 or purported to assign, transfer, or encumber to any person or entity any portion of any  
4 liability, claim, demand, action, cause of action or right herein released and discharged.

5           55.    Nullification of Settlement Agreement. In the event that: (i) the Court does  
6 not finally approve the Settlement as provided herein; or (ii) the Settlement does not  
7 become final for any other reason, then this Settlement Agreement, and any documents  
8 generated to bring it into effect, will be null and void. Any order or judgment entered  
9 by the Court in furtherance of this Settlement Agreement will likewise be treated as void  
10 from the beginning. In the event that the Settlement is terminated or cancelled or fails  
11 to become effective, the Parties shall be deemed to have reverted *nunc pro tunc* to their  
12 respective status as of the date and time immediately before the execution of this  
13 Agreement and they shall proceed in all respects as if this Agreement had not been  
14 executed, and without prejudice in any way from the negotiation, fact, or terms of this  
15 Settlement..

16           56.    Exhibits Incorporated by Reference. The terms of this Settlement  
17 Agreement include the terms set forth in any attached Exhibits, which are incorporated  
18 by reference as though fully set forth herein. Any Exhibits to this Settlement Agreement  
19 are an integral part of the Settlement.

20           57.    Entire Agreement. This Settlement Agreement and any attached Exhibits  
21 constitute the entirety of the Parties' settlement terms. No other prior or  
22 contemporaneous written or oral agreements may be deemed binding on the Parties.

23           58.    Amendment or Modification. This Settlement Agreement may be amended  
24 or modified only by a written instrument signed by all Parties or their successors-in-  
25 interest.

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

4           60.    California Law Governs. All terms of this Settlement Agreement and  
5 Exhibits hereto will be governed by and interpreted according to the laws of the State of  
6 California.

7           61.    Execution and Counterparts. This Settlement Agreement is subject only to  
8 the execution of all Parties. However, the Settlement may be executed in one or more  
9 counterparts. All executed counterparts and each of them, including facsimile and PDF  
10 or other scanned copies of the signature page, will be deemed to be one and the same  
11 instrument for all purposes in effecting and enforcing this Settlement Agreement.

12           62.    Waiver of Certain Appeals. The Parties agree to waive appeals; except,  
13 however, that either party may appeal any court order that materially alters the  
14 Settlement Agreement's terms.

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

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

25           65.    Representation By Counsel. The Parties acknowledge that they have been  
26 represented by counsel throughout all negotiations that preceded the execution of this  
27 Settlement, and that this Settlement has been executed with the consent and advice of  
28

1 counsel. Further, Plaintiff and Class Counsel warrant and represent that there are no  
2 liens on the Settlement Agreement.

3       66. Cooperation and Execution of Necessary Documents. All Parties agree to  
4 cooperate in the administration of the settlement and to make all reasonable efforts to  
5 control and minimize the costs and expenses incurred in administration of the  
6 Settlement, and will cooperate in good faith and execute all documents to the extent  
7 reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties  
8 are unable to reach agreement on the form or content of any document needed to  
9 implement the Settlement, or on any supplemental provisions that may become  
10 necessary to effectuate the terms of this Settlement, the Parties may seek the assistance  
11 of the Court to resolve such disagreement.

12       67. Authorization to Enter Into Settlement Agreement. Counsel for all Parties  
13 warrant and represent they are expressly authorized by the Parties whom they represent  
14 to negotiate this Settlement Agreement and to take all appropriate action required or  
15 permitted to be taken by such Parties pursuant to this Settlement Agreement to  
16 effectuate its terms and to execute any other documents required to effectuate the terms  
17 of this Settlement Agreement.

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

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19 Attorneys for Plaintiff NORMA SERRANO

20 *(Additional Counsel on Next Page)*

21  
22 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
23 FOR THE COUNTY OF SAN MATEO  
24

25 NORMA SERRANO, an individual;  
26 and MARIA GRANDE, an individual;  
27 and on behalf of all others similarly  
28 situated,

Plaintiffs,

v.

BAY BREAD LLC, a Delaware  
Limited Liability Company doing  
business in California; AEROTEK,  
INC., a Maryland Corporation doing  
business in California; FULLBLOOM  
BAKING LLC, a California Limited  
Company; FULLBLOOM BANKING,  
INC., a California corporation; and  
Does 1 through 20, inclusive,

Defendants.

Case No. CIV 526280

Assigned to the Honorable Richard H.  
DuBois For All Purposes, Dept. 16

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

Date Action Filed: January 15, 2014

1 **LAW OFFICES OF MICHAEL H. KIM**

Michael H. Kim (SB# 200792)

2 Adam K. Tanouye (SB# 304711)

3 475 El Camino Real, Suite 309

Millbrae, California 94030

4 Phone: (650) 697-8899; Fax: (650) 697-8896

5 Attorneys for Plaintiff NORMA SERRANO

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

2 This Joint Stipulation of Class Action Settlement and Release (“Settlement” or  
3 “Settlement Agreement”) is made and entered into by and between plaintiff Norma  
4 Serrano (“Plaintiff” or “Class Representative”), as an individual and on behalf of all  
5 others similarly situated, and defendant Bay Bread LLC (“Defendant”) (collectively  
6 with Plaintiff, the “Parties”).

7 **BACKGROUND**

8 This lawsuit arises from an action entitled *Serrano et al. v. Bay Bread LLC et al.*,  
9 Case No. CIV 526280, pending before the Honorable Richard H. DuBois in the Superior  
10 Court of California for the County of San Mateo. Defendant, which Starbucks  
11 Corporation acquired in 2012, operated a baking facility in San Francisco until  
12 September 2015. Starting in late 2010, Defendant engaged Aerotek, Inc. (“Aerotek”) to  
13 provide contract workers for the facility. Plaintiff filed this action in January 2014,  
14 asserting California law claims against both Defendant and Aerotek under a joint  
15 employer theory. On June 30, 2016, the Court granted Aerotek’s motion for summary  
16 judgment, dismissing Aerotek as a defendant. The Court of Appeal affirmed this ruling  
17 in March 2018. As a result of this ruling, the lawsuit is limited to Plaintiff’s claims that,  
18 in connection with work she performed for Defendant while on assignment through  
19 Aerotek, Defendant failed to provide meal breaks or pay premiums, and is liable for  
20 these meal break premiums and related civil penalties under the California Private  
21 Attorneys General Act. Plaintiff asserts her claims on behalf of a class of non-exempt  
22 workers in California provided by Aerotek to Defendant from January 15, 2010 through  
23 December 23, 2015.

24 On November 10, 2020, the Parties attended a mediation before Steven J.  
25 Serratore, Esq. (the “Mediator”). As a result of mediation and arm’s-length  
26 negotiations, the Parties reached this Settlement Agreement.  
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## DEFINITIONS

The following definitions are applicable to this Settlement Agreement.

Definitions contained elsewhere in this Settlement Agreement will also be effective.

1. “Action” means *Serrano et al. v. Bay Bread LLC et al.*, Case No. CIV 526280, Superior Court of California for the County of San Mateo.
2. “Class Counsel” means Makarem & Associates, APLC and Law Offices of Michael H. Kim, PC.
3. “Class Member(s)” or “Settlement Class” means all non-exempt workers in California provided by Aerotek to Defendant from January 15, 2010 through December 23, 2015.
4. “Court” means the Superior Court of California for the County of San Mateo.
5. “Defendant” or “Released Parties” means Defendant and all of its present and former parents, subsidiaries, affiliates, and joint ventures, and all of their shareholders, members, managers, officers, officials, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors, and assigns, and any other persons acting by, through, under, or in concert with any of them.
6. “Effective Date” means the later of: (i) the 61st day after the Court enters an order granting final approval of the Settlement, provided no appeal or motion for reconsideration or other efforts to obtain review have been filed; (ii) if any timely appeals or motions for reconsideration or review are filed, the 61st day after final resolution of any such appeals or motions for reconsideration or review have been finally concluded. In this regard, it is the intention of the Parties that the Effective Date of the Settlement shall not be a date before the Court’s order approving the Settlement has become completely final and there is no timely recourse by any person who seeks to object or otherwise contest the Settlement.

1           7.     “Gross Settlement Amount” is the amount of Three Hundred and Forty  
2 Thousand Dollars (\$340,000.00), which is the amount to be paid by Defendant pursuant  
3 to this Settlement Agreement. The Gross Settlement Amount is non-reversionary and  
4 includes: (a) all Individual Settlement Payments to Participating Class Members;  
5 (b) the Labor and Workforce Development Agency Payment; (c) the Class  
6 Representative Enhancement Payment to Plaintiff; (d) Attorneys’ Fees and Costs to  
7 Class Counsel, and (e) Settlement Administration Costs to the Settlement Administrator.  
8 Except for the share of any payroll taxes due on Individual Settlement Payments to  
9 Participating Class Members (“Employer’s Payroll Taxes”), which Defendant will pay  
10 separate from and in addition to the Gross Settlement Amount, Defendant will have no  
11 obligation to pay any amount in connection with this Settlement Agreement apart from  
12 the Gross Settlement Amount.

13           8.     “Individual Settlement Payment” means a Participating Class Member’s  
14 share of the Net Settlement Amount.

15           9.     “Net Settlement Amount” means the Gross Settlement Amount less  
16 deductions for the Labor and Workforce Development Agency Payment, Class  
17 Representative Enhancement Payment, Attorneys’ Fees and Costs, and Settlement  
18 Administration Costs.

19           10.    “Notice of Class Action Settlement” means the Notice of Class Action  
20 Settlement and Estimated Distribution Form, together attached as Exhibit A and Exhibit  
21 B respectively, to be mailed to all members of the Settlement Class upon Preliminary  
22 Approval.

23           11.    “Participating Class Members” means all Class Members who do not  
24 submit valid Requests for Exclusion.

25           12.    “Preliminary Approval” means the Court order granting preliminary  
26 approval of the Settlement Agreement.  
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1 counsel and that they have had an opportunity to consult with their counsel regarding  
2 the fairness and reasonableness of this Settlement. In addition, the Mediator may  
3 execute a declaration supporting the reasonableness of the Settlement and the Court  
4 may, in its discretion, contact the Mediator to discuss the Settlement and whether or not  
5 the Settlement is objectively fair and reasonable.

6 19. Non-Admission of Liability. The Parties enter into this Settlement to  
7 resolve the dispute that has arisen between them and to avoid the burden, expense, and  
8 risk of continued litigation. In entering into this Settlement, Defendant does not admit,  
9 and specifically denies, that it violated any federal, state, or local law; violated any  
10 regulations or guidelines promulgated pursuant to any statute or any other applicable  
11 laws, regulations or legal requirements; breached any contract; violated or breached any  
12 duty; engaged in any misrepresentation or deception; or engaged in any other unlawful  
13 conduct with respect to the Class Members. Neither this Settlement, nor any of its terms  
14 or provisions, nor any of the negotiations connected with it, will be construed as an  
15 admission or concession by Defendant of any such violations or failures to comply with  
16 any applicable law. Except as necessary in a proceeding to enforce the terms of this  
17 Settlement, this Settlement and its terms and provisions will not be offered or received  
18 as evidence in any action or proceeding to establish any liability or admission on the  
19 part of Defendant or to establish the existence of any condition constituting a violation  
20 of, or a non-compliance with, federal, state, local or other applicable law.

21 20. Class Certification. For settlement purposes only, the Parties agree to class  
22 certification of the Settlement Class in accordance with the terms of this Settlement  
23 Agreement. If, for any reason, the Settlement is not fully and finally approved and/or  
24 the Effective Date does not occur, the stipulation of certification will be void *ab initio*,  
25 and Defendant will not be deemed to have waived or limited any objections or defenses  
26 to class certification or any other matter. The Parties further agree that nothing in this  
27 Settlement Agreement will be construed as an admission or acknowledgement in this or  
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1 any other proceeding that either (i) class action certification is proper except as provided  
2 in this paragraph, or (ii) Defendant is liable to Plaintiff or any Class Member other than  
3 in accordance with the terms of this Settlement.

4       21. Waiver and Release. Plaintiff and all Class Members who do not submit a  
5 valid and timely Request for Exclusion, including their agents, affiliates, spouses,  
6 domestic partners, representatives, guardians ad litem, heirs, executors, administrators,  
7 successors, attorneys, and assigns, past, present and future, shall, for the Released  
8 Claims Period, fully and finally waive, release, and forever discharge the Released  
9 Parties from any and all claims (i) asserted in the Action, including in the Fourth  
10 Amended Class Action Complaint filed on August 13, 2015, or (ii) arising from, or  
11 derivative of, the claims or factual allegations asserted in the Action, including those  
12 concerning Defendant’s practices regarding meal breaks and break premiums  
13 (“Released Claims”). The Released Claims include, but are not limited to, any claims,  
14 rights, demands, liabilities, and causes of action of any kind or nature in law or in  
15 equity, under any theory, whether contract, common law, constitutional, statutory or  
16 otherwise, of any jurisdiction, foreign or domestic, whether known or unknown,  
17 anticipated or unanticipated, including for damages, restitution, penalties, interest, costs,  
18 attorneys’ fees, expenses, equitable relief, injunctive relief, and any other relief.

19       This waiver and release will be final and binding on the Effective Date, and will  
20 have every preclusive effect permitted by law. With respect to the Released Claims  
21 only, on the Effective Date, Plaintiff and Class Members who do not submit a valid and  
22 timely Request for Exclusion will be deemed expressly to have waived the provisions,  
23 rights, and benefits of California Civil code section 1542, which provides:

24       A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE  
25       CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO  
26       EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE  
27       RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE  
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1 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE  
2 DEBTOR OR RELEASED PARTY.

3 With respect to the Released Claims only, Plaintiff and Class Members hereafter  
4 may discover facts in addition to or different from those which they now know or  
5 believe to be true with respect to some or all of the Released Claims (including  
6 unknown claims as defined above), but Plaintiff and each Class Member will be deemed  
7 as of the Effective Date to have fully and finally released, discharged, and settled all  
8 Released Claims (including unknown claims as defined above), suspected or  
9 unsuspected, contingent or non-contingent, whether or not concealed or hidden, which  
10 have existed, now exist, or come into existence in the future as defined above.

11 Plaintiff and Class Members will not file, and will not request any other party or  
12 entity to file on their behalf, any claim, complaint, charge or request for damages or any  
13 other relief released above, including with any local, state, or federal governmental or  
14 quasi-governmental agency or any state, administrative, or federal court, or any  
15 licensing or accreditation organization, against the Released Parties.

16 22. Release of Additional Claims and Rights by Plaintiff. As of the Effective  
17 Date, and as a condition of receiving any portion of her Class Representative  
18 Enhancement Payment, Plaintiff agrees to the additional following General Release: In  
19 consideration of Defendant's promises and agreements as set forth herein, Plaintiff  
20 hereby fully releases the Released Parties from any and all Released Claims and also  
21 generally releases and discharges the Released Parties from any and all claims,  
22 demands, obligations, causes of action, rights, or liabilities of any kind which have been  
23 or could have been asserted against the Released Parties through the date that this  
24 Agreement is fully executed. This general release includes, but is not limited to, claims  
25 arising out of or relating to Plaintiff's alleged employment and/or alleged joint  
26 employment by Defendant and/or the termination of her alleged employment with  
27 Defendant, including but not limited to any and all claims for violation of any section of  
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1 the California Labor Code and/or Wage Orders; violation of the Fair Labor Standards  
2 Act (“FLSA”); failure to pay wages, benefits, vacation pay, severance pay, final pay, or  
3 other compensation of any sort; fraud; intentional or negligent misrepresentation; breach  
4 of contract; promissory estoppel; wrongful termination; retaliation; violation of public  
5 policy; breach of implied covenant of good faith and fair dealing; defamation; unlawful  
6 effort to prevent employment; sexual harassment; discrimination on the basis of race,  
7 color, sex, national origin, ancestry, religion, age, disability, handicap, medical  
8 condition, marital status or any other protected class; any claim under the Fair Credit  
9 Reporting Act, California Consumer Credit Reporting Agencies Act, California  
10 Investigative Consumer Reporting Agencies Act, or other laws regarding background  
11 checks; any claim under Title VII of the Civil Rights Act of 1964 (Title VII, as  
12 amended), 42 U.S.C. §§ 2000, *et seq.*; the Americans with Disabilities Act (“ADA”), the  
13 Age Discrimination in Employment Act (“ADEA”), the California Fair Employment  
14 and Housing Act (“FEHA”), or California Government Code §§ 12940 *et seq.*; violation  
15 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”); violation  
16 of the Occupational Safety and Health Act (“OSHA”) or any other health and/or safety  
17 laws, statutes or regulations; violation of the Employment Retirement Income Security  
18 Act of 1974 (“ERISA”); violation of the Internal Revenue Code; any other claim arising  
19 from employment or termination of employment; or other common law or tort matters  
20 and all other claims under federal, state, or local law. This release specifically includes  
21 any and all claims, demands, obligations and/or causes of action for damages,  
22 restitution, penalties, injunctive or equitable relief, interest, and attorneys’ fees and costs  
23 (except as provided by the Settlement Agreement) relating to or in any way connected  
24 with the matters referred to herein, whether or not known or suspected to exist, and  
25 whether or not specifically or particularly described herein. Specifically, Plaintiff  
26 waives all rights and benefits afforded by California Civil Code Section 1542, which  
27 provides:  
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1 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE  
2 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO  
3 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE  
4 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE  
5 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE  
6 DEBTOR OR RELEASED PARTY.

7 23. Individual Settlement Payment Calculations. Individual Settlement  
8 Payments will be calculated and apportioned from the Net Settlement Amount based on  
9 the number of Workweeks a Participating Class Member worked for Defendant during  
10 the Released Claims Period. The Settlement Administrator will calculate the total  
11 number of Workweeks worked by each Class Member for Defendant during the  
12 Released Claims Period and the aggregate total number of Workweeks worked by all  
13 Class Members for Defendant during the Released Claims Period. For purposes of  
14 making these calculations, the Settlement Administrator will use the payroll records  
15 produced by Aerotek at Bates Number “AERO-SERR 019559 – CONFIDENTIAL,”  
16 which Defendant will provide to the Settlement Administrator within twenty-one (21)  
17 days of Preliminary Approval. Using these payroll records, the Settlement  
18 Administrator will deem any week in which a Class Member received pay a Workweek  
19 when one of the following entities are listed in the “CLIENT\_NAME” column  
20 corresponding to the week: New French Bakery, Inc., Bay Bread, LLC, and Starbucks  
21 Corporation. Any Class Member who does not have pay records for work performed at  
22 one of these entities will be deemed to have worked an average number of Workweeks,  
23 based on the number of Workweeks worked by other Class Members, subject to the  
24 dispute procedures in Paragraph 33. To determine each Class Member’s estimated  
25 “Individual Settlement Payment,” the Settlement Administrator will use the following  
26 formula: The Net Settlement Amount will be divided by the aggregate total number of  
27 Workweeks, resulting in the “Workweek Value.” Each Class Member’s “Individual  
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1 Settlement Payment” will be calculated by multiplying each individual Class Member’s  
2 total number of Workweeks by the Workweek Value. The Individual Settlement  
3 Payment will be reduced by any required deductions for each Participating Class  
4 Member, including appropriate tax withholdings or deductions. The Parties agree that  
5 the formula described herein is reasonable and that the payments are designed to  
6 provide a fair settlement to each Settlement Class Member in light of the uncertainties  
7 regarding the compensation alleged to be owed and the calculation of such amounts.

8       24. Attorneys’ Fees and Costs. Class Counsel will seek an award of Attorneys’  
9 Fees of not more than thirty-three and thirty-three hundredths percent (33.33%) of the  
10 Gross Settlement Fund, or One Hundred Thirteen Thousand and Three Hundred and  
11 Twenty Two Dollars (\$113,322.00) in attorneys’ fees, and attorneys’ reasonable  
12 litigation costs (including any expert costs) of not more than Forty-Five Thousand  
13 Dollars (\$45,000.00), and Defendant agrees not to oppose such application. These  
14 amounts include, without limitation, all time expended by Plaintiff’s Counsel in  
15 defending and preparing the Settlement Agreement and securing Preliminary and Final  
16 Approval (including any appeals therein), and there will be no additional charge of any  
17 kind to either the Settlement Class Members or Defendant for such work.

18       All Attorneys’ Fees and Costs will be paid from the Gross Settlement Amount.  
19 Plaintiff and Class Counsel will not have the right to revoke this Settlement in the event  
20 that the Court does not approve the amount of Attorneys’ Fees and Costs sought by  
21 Class Counsel. If the Court reduces the requested attorneys’ fees, costs and expenses,  
22 any such reduction will be added to the Net Settlement Amount available to class  
23 members.

24       25. Class Representative Enhancement Payment. Plaintiff will apply to the  
25 Court for a Class Representative Enhancement Payment of not more than Seven  
26 Thousand and Five Hundred Dollars (\$7,500), without deductions, for her effort and  
27 work in prosecuting the Action on behalf of Class Members, and Defendant agrees not  
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1 to oppose such application. The Class Representative Enhancement Payment, which  
2 will be paid from the Gross Settlement Amount, will be in addition to Plaintiff's right to  
3 an Individual Settlement Payment. Plaintiff will be solely and legally responsible to pay  
4 any and all applicable taxes on the payments made pursuant to this paragraph and will  
5 hold Defendant harmless from any claim or liability for taxes, penalties, or interest  
6 arising as a result of the payments. Plaintiff will not have the right to revoke this  
7 Settlement in the event that the Court does not approve the amount sought by Plaintiff  
8 as a Class Representative Enhancement Payment. If the Court reduces the requested  
9 Class Representative Enhancement Payment, any such reduction will be added to the  
10 Net Settlement Amount.

11       26. Labor and Workforce Development Agency Payment. Subject to Court  
12 approval, the Parties agree that the amount of Ten Thousand Dollars (\$10,000) from the  
13 Gross Settlement Amount will be paid in settlement of all individual and representative  
14 claims brought in the Action by or on behalf of Plaintiff and Class Members and  
15 aggrieved parties under the Labor Code Private Attorneys General Act of 2004 (Cal.  
16 Lab. Code §§ 2698, *et seq.*, "PAGA"). Pursuant to PAGA, Seventy-Five Percent (75%)  
17 of this sum, or Seven Thousand and Five Hundred Dollars (\$7,500), will be paid to the  
18 Labor and Workforce Development Agency ("LWDA") and Twenty-Five Percent  
19 (25%), or Two Thousand and Five Hundred Dollars (\$2,500), will remain in the Net  
20 Settlement Amount.

21       27. Settlement Administration Costs. The Settlement Administrator will be  
22 paid for the reasonable costs of administration of the Settlement and calculation and  
23 distribution of payments, up to a maximum of \$20,000. These costs, which will be paid  
24 from the Gross Settlement Amount, will include, *inter alia*, the required tax reporting on  
25 the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, preparing,  
26 distributing, and tracking Notices of Class Action Settlement, confirming/auditing  
27 claims for payments for compliance with the Settlement, calculating and distributing all  
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1 payments to be made pursuant to the Settlement, calculating and at Defendant's option  
2 making the payments with respect to the Employer's share of Payroll Taxes, and  
3 providing reports and declarations.

4       28. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the  
5 Court to request the Preliminary Approval of the Settlement Agreement, and the entry of  
6 a Preliminary Approval Order for: (i) conditional certification of the Settlement Class  
7 for settlement purposes only, (ii) preliminary approval of the proposed Settlement  
8 Agreement, and (iii) setting a date for a Final Approval/Settlement Fairness Hearing.  
9 The Preliminary Approval Order will provide for the Notice of Class Action Settlement  
10 to be sent to all Class Members as specified herein. In conjunction with the Preliminary  
11 Approval hearing, Plaintiff will submit this Settlement Agreement, which sets forth the  
12 terms of this Settlement, and will include the proposed Notice of Class Action  
13 Settlement and proposed Estimated Distribution Form.

14       29. Delivery of the Class List. "Class List" means a complete list of all Class  
15 Members that Defendant will diligently and in good faith request and compile from  
16 Aerotek's records. The Class List will include the following information from  
17 Aerotek's records: each Class Member's full name; most recent mailing address and  
18 telephone number. Within twenty-one (21) days of Preliminary Approval, Defendant  
19 will provide the Class List to the Settlement Administrator; Plaintiff's counsel will not  
20 receive a copy of the list. However, within seven (7) days of receipt of the Class List  
21 from Defendant, the Settlement Administrator shall provide to Class Counsel and  
22 Defendant's counsel a copy of the administration spreadsheet, with identifying  
23 information redacted except for that of Plaintiff, so that the Parties can review the  
24 estimated calculations of Workweeks and payment thereto to ensure accuracy. The  
25 Settlement Administrator shall not use the Class List or any information contained  
26 therein for any purpose other than to administer the Settlement in accordance with this  
27 Agreement. Upon completion of the administration of the Settlement, the Settlement  
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1 Administrator shall destroy the Class List and any information contained therein or  
2 return it and all copies to Defendant.

3       30. Notices of Class Action Settlement. Within seven (7) calendar days after  
4 providing Class Counsel and Defendant's counsel the redacted administration  
5 spreadsheet, assuming the Parties have no changes to said spreadsheet, the Settlement  
6 Administrator will mail a Notice of Class Action Settlement to all Class Members via  
7 regular First-Class U.S. Mail, using the most current, known mailing addresses  
8 identified in the Class List. The Notice of Class Action Settlement will be in the form  
9 attached as Exhibit A, or as provided by Court order, and will include, but not be limited  
10 to, information regarding the nature of the Action; a summary of the substance of the  
11 Settlement, including Defendant's denial of liability; the definition of the Settlement  
12 Class; the procedure and time period for objecting to the Settlement and participating in  
13 the Final Approval hearing; how settlement payments will be calculated; a statement  
14 that the Court has preliminarily approved the Settlement; a statement that Class  
15 Members will release the settled claims unless they opt out; information regarding the  
16 opt-out procedure; and the estimated payment based on Workweeks as contained in the  
17 Estimated Distribution Form attached hereto as Exhibit B.

18       31. If the total number of Class Members increases by eight percent (8%) or  
19 more from the Parties' November 20, 2020 estimate of 868 total Class Members, as  
20 determined before the notice of class settlement is distributed to the Class Members, the  
21 Gross Settlement Amount shall increase by the same percentage. For example, if the  
22 total number of Class Members increases by ten percent (10%), the Gross Settlement  
23 Amount shall automatically increase by ten percent (10 %).

24       32. Confirmation of Contact Information. Prior to mailing, the Settlement  
25 Administrator will perform a search based on the National Change of Address Database  
26 for information to update and correct for any known or identifiable address changes.  
27 Any Notices of Class Action Settlement returned to the Settlement Administrator as  
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1 non-deliverable on or before the Response Deadline will be sent promptly via regular  
2 First-Class U.S. Mail to the forwarding address affixed thereto, and the Settlement  
3 Administrator will indicate the date of such re-mailing on the Notice of Class Action  
4 Settlement. If no forwarding address is provided, the Settlement Administrator will  
5 promptly attempt to determine the correct address using an Accurant search/skip-trace,  
6 and will then perform a single re-mailing. With regard to any Class Member whose  
7 Notice of Class Action Settlement is returned as non-deliverable, and for whom the  
8 Settlement Administrator is unable to determine a reliable address using reasonable and  
9 customary methods, their Individual Settlement Payment will be provided by the  
10 Settlement Administrator as part of the funds that will escheat to the State of California  
11 Unclaimed Wages Fund as described in Paragraph 46 below.

12       33. Disputed Information on Notices of Class Action Settlement. Class  
13 Members will have an opportunity to dispute their number of Workweeks as stated in  
14 their Estimated Distribution Form, provided they file a dispute with the Settlement  
15 Administrator in writing postmarked no later than 30 days after the mailing of the  
16 Notices of Class Action Settlement. To the extent that Class Members dispute the  
17 number of Workweeks, Class Members may produce evidence to the Settlement  
18 Administrator showing that such information is inaccurate. The Settlement  
19 Administrator will advise the Parties of such dispute, allow Defendant ten (10) business  
20 days after being notified in writing to respond with any additional information or  
21 records, and then decide the dispute. Aerotek's records will be presumed correct, but  
22 the Settlement Administrator will evaluate the evidence submitted by the Class Member  
23 and will make the final decision as to the merits of the dispute.

24       34. Requests for Exclusion. Any Class Member who does not affirmatively opt  
25 out of the Settlement Agreement by submitting a timely and valid Request for Exclusion  
26 will be bound by all of the Settlement Agreement's terms, including those pertaining to  
27 the Released Claims, as well as any Judgment that may be entered by the Court if it  
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1 grants final approval of the Settlement. Any Class Member wishing to opt-out from the  
2 Settlement Agreement must sign and postmark a written “Request for Exclusion” to the  
3 Settlement Administrator within the Response Deadline. The Request for Exclusion  
4 must: (i) set forth the name, address, telephone number and the last four digits of the  
5 Social Security Number of the Class Member requesting exclusion; (ii) be signed by the  
6 Class Member; (iii) be returned to the Settlement Administrator; (iv) clearly state that  
7 the Class Member does not wish to be included in the Settlement; and (v) be postmarked  
8 on or before the Response Deadline. The postmark date will be the exclusive means to  
9 determine whether a Request for Exclusion has been timely submitted. The Parties and  
10 their attorneys and the Named Plaintiff will not solicit or encourage any Class Member,  
11 directly or indirectly, to opt out of the Settlement Agreement. Any such action or  
12 attempt to do so will be deemed a material breach of the Agreement.

13       35. Defective Submissions. If a Class Member’s Request for Exclusion is  
14 defective as to the requirements listed herein, that Class Member will be given an  
15 opportunity to cure the defect(s). The Settlement Administrator will attempt to contact  
16 the Class Member by telephone and mail the Class Member a cure letter within  
17 three (3) business days of receiving the defective submission to advise the Class  
18 Member that his or her submission is defective and that the defect must be cured to  
19 render the Request for Exclusion valid. The Class Member will have until (i) the  
20 Response Deadline or (ii) fifteen (15) calendar days from the date of the cure letter,  
21 whichever date is later, to postmark a revised Request for Exclusion. If the revised  
22 Request for Exclusion is not postmarked within that period, it will be deemed untimely.

23       36. Objection Procedures. To object to the Settlement Agreement  
24 (“Objection”), a Class Member must mail a written Objection to the Settlement  
25 Agreement to the Settlement Administrator before the Response Deadline or file it with  
26 the Court and serve it on counsel for both parties on or before the Response Deadline.  
27 The Objection must include: (a) the objector’s full name, signature, address, and  
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1 telephone number, and (b) a written statement of all grounds for the Objection. The  
2 postmark date of the Objection will be deemed the exclusive means for determining that  
3 the Objection is timely. Class Members who fail to object in the manner specified  
4 above will be deemed to have waived all Objections to the Settlement and will be  
5 foreclosed from making any Objections, whether by appeal or otherwise, to the  
6 Settlement Agreement. Only Class Members who file and serve timely Objections will  
7 have a right to appear at the Final Approval Hearing in order to have their Objections  
8 heard by the Court but a Class Member who mails a timely Objection as described  
9 above need not appear to have their Objection considered by the Court. At no time will  
10 any of the Parties or their counsel seek to solicit or otherwise encourage Class Members  
11 to submit Objections to the Settlement Agreement or appeal from the Order and  
12 Judgment. Class Counsel will not represent any Class Members with respect to any  
13 such Objections to this Settlement.

14       37. Reports Regarding Settlement Administration. The Settlement  
15 Administrator will provide Defendant's counsel and Class Counsel a weekly report that  
16 certifies the number of Class Members who have submitted valid Requests for  
17 Exclusion, Objections, and disputes regarding dates they performed work and/or  
18 Workweeks calculations. Additionally, the Settlement Administrator will provide to  
19 counsel for both Parties any updated reports regarding the administration of the  
20 Settlement Agreement as needed or requested and will immediately forward to the  
21 Parties any objections mailed to the Claims Administrator.

22       38. Rights of Termination. Except as set forth above, if the Court or, in the  
23 event of an appeal, any appellate court refuses to approve, or modifies, any material  
24 aspect of this Agreement or the proposed Preliminary Approval Order or Final Approval  
25 Order and Judgment, including but not limited to any judicial findings included therein,  
26 Plaintiff or Defendant may terminate this Agreement and the Settlement as set forth  
27 below. The Parties acknowledge and agree that any modification to the terms of this  
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1 Agreement relating to the scope of the release, or to Defendant's financial obligations,  
2 shall be deemed a material modification constituting grounds for cancellation or  
3 termination of the Agreement and the Settlement.

4 Within fifteen (15) days of the Settlement Administrator receiving notice from  
5 any Party of such termination or failure, (i) the Settlement Administrator shall return the  
6 balance of the settlement fund, including any interest, to Defendant, and (ii) the  
7 Settlement Administrator shall provide the Parties with a report of all Administration  
8 Costs incurred. The Party terminating the Agreement will be responsible for paying any  
9 Administration Costs. If the Parties mutually terminate the Agreement, Plaintiff and  
10 Defendant each will be responsible for paying fifty percent (50%) of any Administration  
11 Costs.

12 39. Limited Right to Cancel. If five percent (5%) or more of the Class  
13 Members submit valid and timely Requests for Exclusion, Defendant shall have the  
14 absolute right, in its sole discretion, and notwithstanding any other provisions of the  
15 Settlement Agreement, to withdraw from, and cancel, without penalty whatsoever, the  
16 Settlement Agreement in its entirety. If Defendant exercises the right to cancel, it shall  
17 pay the cost of the Third-Party Administrator incurred for administering the Settlement  
18 up to that date. If this right is exercised by Defendant, the Settlement Agreement will be  
19 null and void for all purposes and may not be used or introduced in further litigation.  
20 The right can be exercised only by a writing stating clearly that Defendant is canceling,  
21 and withdrawing from, the Settlement Agreement, which is sent by Defendant's counsel  
22 to Class Counsel by mail or email no later than five (5) business days after the Response  
23 Deadline. If the right provided in this paragraph is not so exercised, it shall be waived  
24 and cannot later be exercised.

25 40. Final Settlement Approval Hearing and Entry of Judgment. Upon  
26 expiration of the deadlines to postmark Requests for Exclusion or Objections to the  
27 Settlement Agreement, and with the Court's permission, a Final Approval/Settlement  
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1 Fairness Hearing will be conducted to determine the Final Approval of the Settlement  
2 Agreement along with the amounts properly payable for: (i) Individual Settlement  
3 Payments; (ii) the LWDA Payment; (ii) the Class Representative Enhancement  
4 Payment; (iii) Attorneys' Fees and Costs; and (iv) all Settlement Administration Costs.  
5 The Final Approval/Settlement Fairness Hearing will not be held earlier than thirty (30)  
6 days after the Response Deadline. Class Counsel will be responsible for drafting all  
7 documents necessary to obtain final approval, and will provide Defendant's counsel  
8 reasonable opportunity to review and provide comments regarding such documents  
9 before they are filed. Class Counsel will also be responsible for drafting the attorneys'  
10 fees and costs application.

11 41. All Terms Subject to Final Court Approval. All amounts and procedures  
12 described in this Settlement Agreement herein will be subject to final Court approval.

13 42. Invalidity of Any Provision. Before declaring any provision of this  
14 Settlement Agreement invalid, the Court will first attempt to construe the provision as  
15 valid to the fullest extent possible consistent with applicable precedents so as to define  
16 all provisions of this Settlement Agreement as valid and enforceable.

17 43. Judgment and Continued Jurisdiction. Contemporaneous with Plaintiff  
18 filing the motion for final approval of the settlement, the Parties will present an agreed  
19 form of the Proposed Judgment to the Court for its consideration. The Court, in its  
20 discretion, may enter a Judgment approved by it. After entry of the Judgment, the Court  
21 will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation  
22 and enforcement of the terms of the Settlement, (ii) Settlement administration matters,  
23 and (iii) such post-Judgment matters as may be appropriate under court rules or as set  
24 forth in this Settlement Agreement pursuant to California Code of Civil Procedure  
25 section 664.6. In the event that a motion to enforce this Agreement is required to be  
26 filed due to a party's failure to comply with the terms herein, the prevailing party shall  
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1 be awarded reasonable attorneys' fees and costs, which shall be in addition to any  
2 amounts to be paid under this settlement.

3       44. Funding of the Gross Settlement Amount. Within ten (10) days after the  
4 Effective Date, Defendant will deposit the Gross Settlement Amount into a settlement  
5 fund to be established by the Settlement Administrator by check, Automated Clearing  
6 House (ACH) transfer, or wire transfer.

7       45. Distribution and Timing of Individual Settlement Payments. Within seven  
8 (7) days of the receipt of the Gross Settlement Amount from Defendant, the Settlement  
9 Administrator shall provide Class Counsel and Defendant's counsel the administration  
10 spreadsheet, with identifying information redacted save for that of Plaintiff, regarding  
11 the final calculations for purposes of distributing the Gross Settlement Amount. The  
12 Parties must submit any requested changes to the spreadsheet, or confirm that they do  
13 not have any requested changes, within seven (7) days of receipt. Within fourteen (14)  
14 days of both Parties confirming that they do not have requested changes to the  
15 spreadsheet, the Settlement Administrator will issue payments to: (i) Participating Class  
16 Members; (ii) the LWDA; (iii) Plaintiff for the Class Representative Enhancement  
17 payment; and (iv) Class Counsel for attorneys' fees and costs. The Parties and the  
18 Settlement Administrator shall cooperate in finalizing the final calculations as contained  
19 in the spreadsheet prior to the distribution of funds from the Gross Settlement Amount  
20 to comply with the time specifications alleged herein. The Settlement Administrator  
21 will also issue a payment to itself for Court-approved services performed in connection  
22 with the Settlement upon providing the certificate of completion described in  
23 Paragraph 47. At Defendant's discretion, the Settlement Administrator will also timely  
24 distribute the Employer's Payroll Taxes to the appropriate government authorities.

25       46. Unclaimed Funds. Participating Class Members will also be mailed checks  
26 for their Individual Settlement Payments within fourteen (14) days of the Settlement  
27 Administrator providing the administration spreadsheet for the Parties' review, assuming  
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1 the Parties have no changes thereto and subject to the cooperation provisions in  
2 Paragraph 45, except that checks will not be sent to Class Members whose Notice of  
3 Class Action Settlement and Estimated Distribution Form are returned as non-  
4 deliverable and for whom the Settlement Administrator is unable to determine a reliable  
5 address using reasonable and customary methods. Rather, the Individual Settlement  
6 Payments corresponding to Class Members who cannot be located, if any, will be held  
7 by the administrator to be submitted to the State of California Unclaimed Wages Fund at  
8 the end of the check cashing deadline of 180 days. Checks will remain negotiable for  
9 180 days. If any Class Member does not cash his or her check within 180 days, the  
10 check will be void. This limitation shall be printed on the face of each check. The  
11 avoidance of checks shall have no effect on the Class Members' release of claims,  
12 obligations, representations, or warranties as provided herein, which shall remain in full  
13 effect.

14 The value of any uncashed checks by the 180-day deadline will be tendered by  
15 the Settlement Administrator via proper escheatment procedures to the State of  
16 California Unclaimed Wages Fund in the name of and for the benefit of such  
17 Participating Class Members. Settlement Class Members who may be entitled to an  
18 Individual Settlement Payment but who were not located before the Notice of Class  
19 Action Settlement and/or the initial Distribution of Individual Settlement Payments,  
20 may request their payment from the State of California Unclaimed Wages Fund.

21 47. Certification of Completion. Upon completion of administration of the  
22 Settlement, within ten (10) days after the 180-day period in Paragraph 46, the  
23 Settlement Administrator will provide a written declaration under oath to certify such  
24 completion to the Court and counsel for all Parties and to specify that monies, if any,  
25 have been provided by the Settlement Administrator via proper escheatment procedures  
26 to the State of California Unclaimed Wages Fund, in the name of and for the benefit of  
27 such Participating Class Members.  
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1           48.    No Credit Towards Benefit Plans. The Individual Settlement Payments  
2 made to Participating Class Members under this Settlement, as well as any other  
3 payments made pursuant to this Settlement, will not be utilized to calculate any  
4 additional benefits under any benefit plans for which any Class Members may be  
5 eligible, including, but not limited to: (i) profit-sharing plans, (ii) bonus plans,  
6 (iii) 401(k) plans, (iv) stock purchase plans, (v) vacation plans, (vi) sick leave plans,  
7 (vii) PTO plans, and (viii) any other benefit plan. Rather, it is the Parties' intention that  
8 this Settlement Agreement will not affect any rights, contributions, or amounts to which  
9 any Class Members may be entitled under any benefit plans.

10           49.    Tax Treatment of Individual Settlement Payments. All Individual  
11 Settlement Payments will be allocated as follows: thirty-three percent (33%) of each  
12 Individual Settlement Payment will be allocated as wages for which IRS Forms W-2  
13 will be issued; and the remaining sixty-seven percent (67%) will be allocated as  
14 penalties and interest for which IRS Forms 1099-MISC will be issued. The Settlement  
15 Administrator will issue all W-2 and 1099-MISC forms. In the event the Court is not  
16 willing to approve the Settlement with the tax allocation proposed by the Parties, this  
17 shall not be a basis for any Party to cancel or withdraw from the Settlement; rather, the  
18 parties will work in good faith to propose another tax allocation that might be  
19 acceptable to the Court.

20           50.    Administration of Taxes by the Settlement Administrator. The Settlement  
21 Administrator will be responsible for issuing to Plaintiff, Participating Class Members,  
22 and Class Counsel any W-2, 1099, and/or other tax forms as may be required by law for  
23 all amounts paid pursuant to this Settlement. The Settlement Administrator will also be  
24 responsible for forwarding the Class Member's share of all payroll taxes and penalties  
25 to the appropriate government authorities. In addition, at Defendant's discretion, the  
26 Settlement Administrator shall be responsible for distributing the Employer's Payroll  
27 Taxes in the proper amounts to the appropriate government authorities.  
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1           51. Tax Liability. Plaintiff and Participating Class Members understand and  
2 agree that except for the Employer’s Payroll Taxes, Plaintiff and Participating Class  
3 Members will be solely responsible for the payment of any and all taxes and penalties  
4 assessed on the payments as described herein. Defendant makes no representation as to  
5 the tax treatment or legal effect of the payments called for hereunder, and Plaintiff and  
6 Participating Class Members are not relying on any statement, representation, or  
7 calculation by Defendant or by the Settlement Administrator in this regard.

8           52. Confidentiality. The Parties and their counsel agree that they will not issue  
9 any media releases, alerts or notices, initiate or encourage any contact with the media,  
10 engage in any advertising, distribute any marketing materials, or make any  
11 announcements through any form of media about the fact, amount, negotiation, or terms  
12 of the Settlement. Nothing in this paragraph shall prevent Defendant from disclosing  
13 and discussing information concerning the Settlement, the settlement amount, or the  
14 circumstances surrounding or giving rise to the Settlement, prior to the filing of the  
15 preliminary approval motion to the extent that Defendant believes that doing so is  
16 required under the laws, rules, or regulations applicable to publicly-traded companies,  
17 including in public filings, in communicating with investors, or in its earnings  
18 conference calls. Nothing in this paragraph shall restrict Plaintiff’s counsel from  
19 communicating with Class Members about the Settlement in their role as Class Counsel  
20 after Preliminary Approval. Nothing in this paragraph shall restrict Plaintiff’s counsel  
21 from responding to questions or unsolicited media inquiries about the Settlement except  
22 that they may only disclose that “this litigation has been resolved to the satisfaction of  
23 all parties” and then refer media to court filings.

24           53. Confidential Documents. Within 60 days of the expiration of the Check  
25 Cashing Deadline, each Party shall return, or confirm the destruction of, any documents  
26 or information that another Party designated as confidential pursuant to an applicable  
27 agreement or protective order.  
28

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

5           55. Nullification of Settlement Agreement. In the event that: (i) the Court does  
6 not finally approve the Settlement as provided herein; or (ii) the Settlement does not  
7 become final for any other reason, then this Settlement Agreement, and any documents  
8 generated to bring it into effect, will be null and void. Any order or judgment entered  
9 by the Court in furtherance of this Settlement Agreement will likewise be treated as void  
10 from the beginning. In the event that the Settlement is terminated or cancelled or fails  
11 to become effective, the Parties shall be deemed to have reverted *nunc pro tunc* to their  
12 respective status as of the date and time immediately before the execution of this  
13 Agreement and they shall proceed in all respects as if this Agreement had not been  
14 executed, and without prejudice in any way from the negotiation, fact, or terms of this  
15 Settlement..

16           56. Exhibits Incorporated by Reference. The terms of this Settlement  
17 Agreement include the terms set forth in any attached Exhibits, which are incorporated  
18 by reference as though fully set forth herein. Any Exhibits to this Settlement Agreement  
19 are an integral part of the Settlement.

20           57. Entire Agreement. This Settlement Agreement and any attached Exhibits  
21 constitute the entirety of the Parties' settlement terms. No other prior or  
22 contemporaneous written or oral agreements may be deemed binding on the Parties.

23           58. Amendment or Modification. This Settlement Agreement may be amended  
24 or modified only by a written instrument signed by all Parties or their successors-in-  
25 interest.  
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27  
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1           59.    Binding on Successors and Assigns. This Settlement Agreement will be  
2 binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto,  
3 as previously defined.

4           60.    California Law Governs. All terms of this Settlement Agreement and  
5 Exhibits hereto will be governed by and interpreted according to the laws of the State of  
6 California.

7           61.    Execution and Counterparts. This Settlement Agreement is subject only to  
8 the execution of all Parties. However, the Settlement may be executed in one or more  
9 counterparts. All executed counterparts and each of them, including facsimile and PDF  
10 or other scanned copies of the signature page, will be deemed to be one and the same  
11 instrument for all purposes in effecting and enforcing this Settlement Agreement.

12           62.    Waiver of Certain Appeals. The Parties agree to waive appeals; except,  
13 however, that either party may appeal any court order that materially alters the  
14 Settlement Agreement's terms.

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

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

25           65.    Representation By Counsel. The Parties acknowledge that they have been  
26 represented by counsel throughout all negotiations that preceded the execution of this  
27 Settlement, and that this Settlement has been executed with the consent and advice of  
28

1 counsel. Further, Plaintiff and Class Counsel warrant and represent that there are no  
2 liens on the Settlement Agreement.

3 66. Cooperation and Execution of Necessary Documents. All Parties agree to  
4 cooperate in the administration of the settlement and to make all reasonable efforts to  
5 control and minimize the costs and expenses incurred in administration of the  
6 Settlement, and will cooperate in good faith and execute all documents to the extent  
7 reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties  
8 are unable to reach agreement on the form or content of any document needed to  
9 implement the Settlement, or on any supplemental provisions that may become  
10 necessary to effectuate the terms of this Settlement, the Parties may seek the assistance  
11 of the Court to resolve such disagreement.

12 67. Authorization to Enter Into Settlement Agreement. Counsel for all Parties  
13 warrant and represent they are expressly authorized by the Parties whom they represent  
14 to negotiate this Settlement Agreement and to take all appropriate action required or  
15 permitted to be taken by such Parties pursuant to this Settlement Agreement to  
16 effectuate its terms and to execute any other documents required to effectuate the terms  
17 of this Settlement Agreement.

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

24 **SIGNATURES**

25 **READ CAREFULLY BEFORE SIGNING**

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27 **PLAINTIFF**

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**SIGNATURES**

**READ CAREFULLY BEFORE SIGNING**

**PLAINTIFF**

Dated: \_\_\_\_\_, 2021

By \_\_\_\_\_  
Norma Serrano

**DEFENDANT**

Dated: 3/11/2021, 2021

DocuSigned by:  
*Zabrina Jenkins*  
By \_\_\_\_\_  
Zabrina Jenkins  
Starbucks Corporation

**APPROVED AS TO FORM**

**MAKAREM & ASSOCIATES, APLC**

Dated: \_\_\_\_\_, 2021

By \_\_\_\_\_  
Cameron A. Stewart  
Attorneys for Plaintiff

**AKIN GUMP STRAUSS HAUER & FELD LLP**

Dated: March 12, 2021

By \_\_\_\_\_  
  
Gregory W. Knopp  
Attorneys for Defendant

1 Dated: 03/11, 2021

2 By   
3 Norma Serrano

4 **DEFENDANT**

5 Dated: \_\_\_\_\_, 2021

6 By \_\_\_\_\_  
7 Kimberley Kemper  
8 Starbucks Corporation

9 **APPROVED AS TO FORM**

10 **MAKAREM & ASSOCIATES, APLC**

11 Dated: \_\_\_\_\_, 2021

12 By *Cameron Stewart*  
13 Cameron A. Stewart  
14 Attorneys for Plaintiff

15 **AKIN GUMP STRAUSS HAUER &  
16 FELD LLP**

17 Dated: \_\_\_\_\_, 2021

18 By \_\_\_\_\_  
19 Gregory W. Knopp  
20 Attorneys for Defendant