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16	SUPERIOR COURT OF THE STATE OF CALIFORNIA			
17	FOR THE COUNTY OF SACRAMENTO - MAIN COURTHOUSE			
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19 20	PHILLIP MORGAN, individually and on behalf of all others similarly situated,	CASE NO.: 34-2018-00228207-CU-OE-GDS [Unlimited Jurisdiction]		
21	Plaintiff,	Assigned for all purposes to the		
22	v.	Honorable Alan G. Perkins, Dept. 35		
23 24	CORE-MARK INTERNATIONAL, INC., a Delaware Corporation, and DOES 1 through 100, inclusive,	STIPULATION OF CLASS ACTION SETTLEMENT		
25	Defendants.	Complaint Filed: March 1, 2018		
26	Detendants.	Trial Date: None Set		
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	STIPULATION OF CLASS ACTION SETTLEMENT			
	P 37774951.1			

IT IS HEREBY STIPULATED, by and between Plaintiffs PHILLIP MORGAN and BRYON UNRUH (collectively, "Plaintiffs"), on the one hand, and Defendant CORE-MARK INTERNATIONAL, INC. ("CORE-MARK" or "Defendant") (hereinafter both Plaintiffs and Defendant together shall be referred to as the "Parties"), on the other hand, and subject to the approval of the Court, that the Action, as defined below, is hereby compromised and settled pursuant to the terms and conditions set forth in this Stipulation and that the Court shall make and enter judgment, subject to the continuing jurisdiction of the Court as set forth below, and subject to the definitions, recitals, and terms set forth herein which by this reference become an integral part of this Stipulation.

I. **DEFINITIONS**

- A. <u>Action.</u> The term "Action" means the following putative class and representative action: *PHILLIP MORGAN and BRYON UNRUH, individually and on behalf of all others similarly situated, v. CORE-MARK INTERNATIONAL, INC., a Delaware Corporation, and DOES 1 through 100, Sacramento Superior Court Case No. 34-2018-00228207-CU-OE-GDS.*
- **B.** <u>Class Counsel</u>. The term "Class Counsel" means (a) Marlin & Saltzman, LLP, including Adam Tamburelli, Esq. and Stan Saltzman, Esq.; and (b) Mara Law Firm, including David Mara, Esq., Jamie Serb, Esq., and Tony Roberts, Esq.
- C. <u>Class Counsel Award</u>. The term "Class Counsel Award" means reasonable attorneys' fees for Class Counsel's litigation and resolution of the Action (not to exceed 33 1/3% of the Maximum Settlement Amount), and Class Counsel's expenses and costs reasonably incurred in connection with the Action (not to exceed \$30,000.00).
- **D.** <u>Class Information</u>. The term "Class Information" means information regarding Class Members that CORE-MARK shall in good faith compile from its records and shall be authorized by the Court to transmit in a secured manner to the Settlement Administrator. The Settlement Administrator shall agree in writing to maintain Class Information in a secure manner. Class Information shall be transmitted to the Settlement Administrator in electronic form and

shall include: each Class Member's full name, last known address, Social Security number, and Compensable Workweeks.

- E. <u>Class Members</u>. The term "Class Members" shall mean all persons currently or formerly employed by Defendant as a driver, truck driver, driver helper, driver trainer, and/or hosteler, in the State of California during the Class Period. This definition expressly excludes any "Class Member" whose employment with Defendant terminated on or before May 31, 2016 and who was included as a class member in the class action settlement in Jonathan Upton and Keith Mills v. Core-Mark International, Inc., California Superior Court, County of San Francisco, case number CGC 15-549438.
- F. Class Notice. The term "Class Notice" means the Notice of Proposed Class Action Settlement, substantially in the form attached hereto as **Exhibit 1**, which shall be subject to Court approval and which the Settlement Administrator shall mail to each Class Member, in English and Spanish, explaining the terms of this Stipulation and the Settlement.
- G. Class Period. The term "Class Period" means the period from March 1, 2014 through April 1, 2020.
- H. <u>Class Representative Service Award</u>. The term "Class Representative Service Award" means the amount that the Court authorizes to be paid to Plaintiffs, in addition to Plaintiffs' Individual Settlement Payments, in recognition of Plaintiffs' efforts and risks in assisting with the prosecution of the Action.
- I. <u>Compensable Workweeks</u>. The term "Compensable Workweeks" means the total number of workweeks worked by each Participating Class Member during the Class Period, as based upon CORE-MARK's employment records, less any workweeks in the Class Period for which a Participating Class Member received a settlement award or payment in connection with

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the previous class action case of *Jonathan Upon and Keith Mills v. Core-Mark International*, *Inc.*, California Superior Court, County of San Francisco case number CGC 15-549438.

- **J.** <u>Core-Mark</u>. The term "Core-Mark" means Defendant CORE-MARK INTERNATIONAL, INC.
- **K.** <u>Court</u>. The term "Court" means the Superior Court of the State of California for the County of Sacramento.
- L. <u>Defense Counsel</u>. The term "Defense Counsel" means Fisher & Phillips, LLP, including Lonnie D. Giamela, Esq. and Philip J. Azzara, Esq.
- M. Effective Date. The term "Effective Date" means when the settlement is considered as "final." For purposes of this Stipulation of Class Action Settlement, "Final" means (i) in the event that the Settlement has received final approval by the Court and there were no timely objections filed, or that any timely objections have been withdrawn then the date of entry of the final judgment in this Action by the Court; or, (ii) in the event that one or more timely objections has/have been filed and not withdrawn, then upon the passage of the applicable date for an objector to seek appellate review of the Court's order of final approval of the Settlement, without a timely appeal having been filed; or, (iii) in the event that a timely appeal of the court's order of final approval has been filed, then the Settlement Agreement shall be final when the applicable appellate court has rendered a final decision or opinion affirming the trial court's final approval without material modification, and the applicable date for seeking further appellate review has passed, or the date that any such Appeal has been either dismissed or withdrawn by the appellant. Core-Mark will fund the settlement within 10 days of the Effective date.
- N. <u>Employer's Share of Payroll Taxes</u>. The term "Employer's Share of Payroll Taxes" means Core-Mark's portion of payroll taxes, including, but not limited to FICA and FUTA, on the portion (if any) of the Individual Settlement Payments that constitutes wages. Core-Mark shall be responsible for paying the Employer's Share of Payroll Taxes to the Settlement Administrator. The Settlement Administrator will be responsible for calculating and remitting to the appropriate government agencies all employer and employee payroll tax

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obligations arising from the Settlement and preparing and submitting filings required by law in connection with the payments required by the Settlement.

- 0. **Final Approval Hearing.** The term "Final Approval Hearing" means the hearing to be conducted by the Court after the filing by Plaintiffs of an appropriate motion and following appropriate notice to Class Members giving Class Members an opportunity to request exclusion from the Class and Settlement and to object to the Settlement, at which time Plaintiffs shall request that the Court finally approve the fairness, reasonableness and adequacy of the terms and conditions of the Settlement, enter the Final Order and Judgment, and take other appropriate action.
- Ρ. Final Order and Judgment. The term "Final Order and Judgment" means the order and judgment to be entered by the Court upon granting final approval of the Settlement and this Stipulation as binding upon the Parties and Participating Class Members.
- Q. **Individual Settlement Payment**. The term "Individual Settlement Payment" means the amount payable from the Net Settlement Amount to each Participating Class Member.
- R. **Information Sheet**. The term "Information Sheet" means the form that shall be prepared by the Settlement Administrator and sent to each Class Member that sets forth the Compensable Workweeks and the estimated Individual Settlement Payment for the Class Member, substantially in the form attached hereto as **Exhibit 2**.
- S. The term "LWDA" means the California Labor and Workforce LWDA. Development Agency.
- T. Maximum Settlement Amount. The term "Maximum Settlement Amount" means the maximum amount (excluding the Employer's Share of Payroll Taxes) Core-Mark shall have to pay in connection with this Settlement, by way of a common fund, which shall be inclusive of all Individual Settlement Payments to Participating Class Members, the Class Counsel Award, the Settlement Administration Costs, litigation costs associated with Class Counsel's prosecution of the Action, the Class Representative Service Awards, and the PAGA payments to Participating Class Members and the LWDA. Subject to Court approval and the

allegations set forth in the operative complaints filed in the Action and arising at any time during

the Class Period, including claims for (1) Failure to Provide Meal Breaks – Cal. Labor Code §§

226.7 and 512, and IWC Wage Order(s); (2) Failure to Provide Rest Breaks – Cal. Labor Code

§§ 226.7 and 512, and IWC Wage Order(s); (3) Failure to Reimburse for Necessary Business

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Expenses – Cal. Labor Code § 2802; (4) Failure to Provide Adequate Wage Statements – Cal. Labor Code §§ 226, 226.2 and 226.3; (5) Unfair Competition – Cal. Bus. and Prof. Code § 17200 et seq.; and (6) Private Attorneys General Act – Cal. Labor Code § 2698 et seq.

"Released Claims," with respect to Plaintiffs, means any and all claims, demands, rights, liabilities, and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state statute, rule or regulation, arising out of, relating to, or in connection with any act or omission by or on the part of any of the Released Parties committed or omitted prior to the Effective Date. The General Release includes any unknown claims Plaintiffs do not know or suspect to exist in Plaintiffs' favor at the time of the release, which, if known by Plaintiffs, might have affected Plaintiffs' settlement with, and release of, the Released Parties or might have affected Plaintiffs' decision not to object to this Settlement. Plaintiffs stipulate and agree that, upon the Effective Date, Plaintiffs shall be deemed to have, and by operation of the Final Approval Order and Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which provides:

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

Plaintiffs may hereafter discover facts in addition to or different from those Plaintiffs now know or believe to be true with respect to the subject matter of the Action and Released Claims, but Plaintiffs, upon the Effective Date, shall be deemed to have, and by operation of the Final Approval Order and Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, whether known or unknown, suspected or unsuspected, contingent or noncontingent, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future.

- CC. <u>Released Parties</u>. The term "Released Parties" means Defendant CORE-MARK INTERNATIONAL, INC., and includes its respective present or former parent companies, subsidiary companies and affiliates, and officers, directors, board members, insurers, employees, partners, shareholders, attorneys, agents, and any other successors, assigns, or legal representatives.
- **DD.** Request for Exclusion. The term "Request for Exclusion" means the written request submitted by Class Members, requesting to be excluded from the Action and the Settlement.
- **EE.** Response Deadline. The term "Response Deadline" means the date forty-five (45) days after the Settlement Administrator mails the Notice Packets to Class Members and the last date on which Class Members may submit a Request for Exclusion or objection to the Settlement.
- **FF.** <u>Settlement</u>. The term "Settlement" means the final and complete disposition of the Action pursuant to this Stipulation.
- GG. Settlement Administration Costs. The term "Settlement Administration Costs" means the reasonable costs and fees of administration of this Settlement to be paid to the Settlement Administrator from the Maximum Settlement Amount, including, but not limited to: (i) translating Notice Packets into Spanish; (ii) printing and mailing (and re-mailing, if necessary) of Notice Packets to Class Members; (iii) establishing and maintaining a website for the administration of the settlement; (iv) preparing and submitting to Participating Class Members and government entities all appropriate tax filings and forms; (v) computing the amount of and distributing Individual Settlement Payments, Class Representative Service Awards and Class Counsel Award; (vi) processing and validating Requests for Exclusion; (vii) establishing a Qualified Settlement Fund, as defined by the Internal Revenue Code; (viii) calculating and remitting to the appropriate government agencies all employer and employee payroll tax obligations arising from the Settlement and preparing and submitting filings required by law in connection with the payments required by the Settlement; and (ix) submitting sums from

II. RECITALS

Group, Inc.

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A. Procedural History. On March 1, 2018, Plaintiff Phillip Morgan ("Plaintiff Morgan") filed a complaint in the Superior Court of the State of California, County of Sacramento, entitled, "Phillip Morgan, individually and on behalf of all others similarly situated v. CORE-MARK INTERNATIONAL, INC., a Delaware Corporation; AND DOES 1 through 100," Case No. 34-2018-00228207. The complaint asserted six causes of action for: (1) Failure to Provide Meal Breaks – Cal. Labor Code §§ 226.7 and 512, and IWC Wage Order(s); (2) Failure to Provide Rest Breaks – Cal. Labor Code §§ 226.7 and 512, and IWC Wage Order(s); (3) Failure to Reimburse for Necessary Business Expenses – Cal. Labor Code § 2802; (4) Failure to Provide Adequate Wage Statements – Cal. Labor Code §§ 226, 226.2 and 226.3; (5) Unfair Competition – Cal. Bus. and Prof. Code § 17200 et seq.; and (6) Private Attorneys General Act – Cal. Labor Code § 2698 et seq.

uncashed settlement checks sent to Participating Class Members to the State of California for

Settlement Administrator. The term "Settlement Administrator" means CPT

distribution to Participating Class Members as unclaimed property.

On May 24, 2018, Plaintiff Morgan filed a first amended complaint.

On June 5, 2018, Plaintiff Bryon Unruh ("Plaintiff Unruh") filed a complaint in the Superior Court of the State of California, County of Alameda entitled, "BRYON UNRUH, on behalf of himself, all others similarly situated, and on behalf of the general public v. CORE-MARK INTERNATIONAL, INC., and DOES 1 through 100, inclusive," Case No. RG18907545. The complaint asserted ten causes of action for: (1) Violation of the Private Attorney General Act of 2004 (PAGA) for Failure to Pay Straight, Regular Rate Wages for All Work Performed (California Labor Code § 2698, et seq.); (2) Violation of the PAGA for Failure to Pay all Overtime Wages (California Labor Code § 2698, et seq.); (3) Violation of the PAGA for Failure to Provide Meal Periods (California Labor Code § 2698, et seq.); (4) Violation of the PAGA for Failure to Provide Rest Periods (California Labor Code § 2698, et seq.); (5) Violation of the PAGA for Failure to Provide Rest Periods (California Labor Code § 2698, et seq.); (5) Violation of the PAGA for Failure to Pay Wages Due at Termination (California Labor Code § 2698, et seq.); (6)

Violation of the PAGA for Failure to Provide Paid Sick Days (California Labor Code § 2698, et seq.); (7) Violation of the PAGA for Knowing and Intentional Failure to Comply with Itemized Employee Wage Statements (California Labor Code § 2698, et seq.); (8) Failure to Pay Employees Twice Per Month (California Labor Code § 2698, et seq.); (9) Violation of PAGA for Failure to Provide Recovery Periods (California Labor Code § 2698, et seq.); and (10) Violation of PAGA for Failure to Reimburse Expenses in Discharging Duties (California Labor Code § 2698, et seq.).

On March 27, 2019, the Parties participated in a full-day, private mediation with an experienced mediator, Jeffrey Krivis. After a full day of mediation, the Parties had not reached a settlement. In the following months, the Parties continued their efforts, through Mr. Krivis, to resolve the Action through arms-length negotiations. Through these efforts, the Parties eventually reached a resolution, as set forth in this stipulation of settlement.

On or about February 26, 2020, pursuant to a stipulation among the Parties, Plaintiff Morgan and Plaintiff Unruh filed and served a second amended complaint in the Action to consolidate their claims.

B. Benefits of Settlement to Plaintiffs and the Class Members. Plaintiffs and Class Counsel recognize the expense and length of continued proceedings necessary to litigate Plaintiffs' disputes in the Action through trial and through any possible appeals. Plaintiffs also have taken into account the uncertainty and risks of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiffs and Class Counsel are also aware of the burdens of proof necessary to establish liability for the claims asserted in the Action, both generally and in response to Core-Mark's defenses thereto, and the difficulties in establishing damages, penalties, restitution and other relief sought in the Action. Plaintiffs and Class Counsel also have taken into account Core-Mark's agreement to enter into a settlement that confers substantial benefits upon the Class Members. Based upon the foregoing, Plaintiffs and Class

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Counsel have determined that the Settlement set forth in this Stipulation is fair, adequate, and reasonable, and is in the best interests of all Class Members.

C. Core-Mark's Reasons for Settlement. Core-Mark has concluded that any further defense of the Action would be protracted and expensive for all Parties. Substantial amounts of Core-Mark's time, energy, and resources have been, and unless this Settlement is completed, shall continue to be, devoted to the defense of the claims asserted by Plaintiffs. Core-Mark also has taken into account the risks of further litigation in reaching its decision to enter into this Settlement. Even though Core-Mark continues to contend that it is not liable for any of the claims alleged by Plaintiffs in the Action, Core-Mark has agreed, nonetheless, to settle in the manner and upon the terms set forth in this Stipulation and to put to rest the claims alleged in the Action. Core-Mark has asserted and continues to assert that the claims alleged by Plaintiffs have no merit and do not give rise to any liability, damages, restitution, penalties or other payments. This Stipulation is a compromise of disputed claims. Nothing contained in this Stipulation, no documents referred to herein, and no action taken to carry out this Stipulation, shall be construed or used as an admission by or against Core-Mark as to the merits or lack thereof of the claims asserted in the Action. Core-Mark contends that it has complied with all applicable state, federal and local laws.

III. TERMS OF SETTLEMENT

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

- Α. **Binding Settlement.** This Settlement shall bind the Parties, all Participating Class Members, Class Counsel and Defense Counsel, subject to the terms and conditions hereof and the Court's approval.
- В. **Tax Liability.** The Parties make no representations as to the tax treatment or legal effect of the payments specified herein, and Class Members are not relying on any statement or representation by the Parties, Class Counsel or Defense Counsel in this regard. Participating Class Members and Class Counsel understand and agree that they shall be responsible for the payment of all taxes and penalties assessed on the payments to each of them specified herein,

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and shall hold Core-Mark and Defense Counsel free and harmless from and against any claims resulting from treatment of such payments as non-taxable, including the treatment of such payments as not subject to withholding or deduction for payroll and employment taxes.

- C. Circular 230 Disclaimer. The Parties acknowledge and agree that (1) no provision of this Stipulation, and no written communication or disclosure between or among the Parties, Class Counsel or Defense Counsel and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her, or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Stipulation, (b) has not entered into this Stipulation based upon the recommendation of any other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party; and (3) no attorney or adviser to any other party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Stipulation.
- **D.** <u>Preliminary Approval of Settlement</u>. By May 15, 2020, Plaintiffs intend to move the Court to enter the Preliminary Approval Order, thereby conditionally certifying the Class for settlement purposes only and setting a Final Approval Hearing date. The Parties agree to work diligently and cooperatively to present this Settlement to the Court for preliminary approval. The Preliminary Approval Order shall provide for, among other things, the Notice Packet to be sent to Class Members as specified herein. The Parties agree that the conditional

certification of the Class is for settlement purposes only and is in no way an admission by Core-Mark in the Action or in any other proceeding that class certification is proper.

E. <u>Release by Plaintiffs and Participating Class Members</u>. Upon the Effective Date, Plaintiffs and all other Participating Class Members shall be deemed to have released their respective Released Claims against the Released Parties.

F. <u>Settlement Administration</u>.

1. Notice of Settlement to Class Members

Within fifteen (15) days after entry of the Preliminary Approval Order, Core-Mark shall provide the Settlement Administrator with the Class Information for purposes of mailing the Notice Packets to Class Members.

Notice by First Class U.S. Mail: Upon receipt of the Class Information, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes. Within fifteen (15) days after receiving the Class Information from Core-Mark as provided herein, the Settlement Administrator shall mail copies of the Notice Packet to all Class Members via regular First Class U.S. Mail. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Class Member. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the most current mailing address for each Class Member. The Parties agree that this procedure for notice provides the best practical notice to Class Members and fully complies with due process.

<u>Undeliverable Notice Packets</u>: Any Notice Packet returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address by the use of skip-tracing, or other type of automated search, using the name, address and/or Social Security number of the Class Member involved, and shall then perform a re-mailing to the Class Member whose Notice Packet was returned as non-delivered, assuming another mailing address is identified by the

Settlement Administrator. Class Members who are sent a re-mailed Notice Packet shall have their Response Deadline extended by fifteen (15) days from the date the Settlement Administrator re-mails the Notice Packet. If these procedures are followed, notice to Class Members shall be deemed to have been fully satisfied, and if the intended recipient of the Notice Packet does not receive the Notice Packet, the intended recipient shall nevertheless remain a Class Member and shall be bound by all terms of the Settlement and the Final Order and Judgment.

Determination of Individual Settlement Payments: The Settlement Administrator shall determine the eligibility for, and the amounts of, each Individual Settlement Payment under the terms of this Stipulation. The Settlement Administrator's determination of the eligibility for and amount of each Individual Settlement Payment shall be binding upon the Class Member and the Parties, yet subject to review by Class Counsel, Defense Counsel and the Court. Core-Mark's records shall be given the presumption of accuracy.

<u>Disputes Regarding Administration of Settlement</u>: Any dispute not resolved by the Settlement Administrator concerning the administration of the Settlement shall be resolved by the Court. Prior to any such involvement of the Court, counsel for the Parties shall confer in good faith to resolve the dispute without the necessity of involving the Court.

1. Exclusions

The Class Notice shall explain that Class Members who wish to exclude themselves from the Class and Settlement must submit a Request for Exclusion to the Settlement Administrator by the Response Deadline. The Request for Exclusion: (1) must contain the name, address, and telephone number of the person requesting exclusion; (2) must be signed by the Class Member; and (3) must be postmarked by the Response Deadline and returned to the Settlement Administrator at the specified address. Subject to review by Class Counsel, Defense Counsel and the Court, the date of the postmark on the return mailing envelope on the Request for Exclusion shall be the exclusive means used by the Settlement Administrator to determine whether a Class Member has timely requested exclusion from the Class and Settlement. Any Class Member who timely and properly requests to be excluded from the Class and Settlement shall not be entitled to any benefits under the Settlement and shall not be bound by the terms of

the Settlement, nor shall the Class Member have any right to object to the Settlement or appeal from the entry of the Final Order and Judgment. Class Members who do not submit a valid and timely Request for Exclusion on or before the Response Deadline shall be bound by all terms of the Settlement and the Final Order and Judgment entered in this Action if the Settlement is finally approved by the Court. No later than ten (10) days after the Response Deadline, the Settlement Administrator shall provide counsel for the Parties with a complete list of all Class Members who submitted a timely and valid Request for Exclusion.

2. *Objections*

The Class Notice shall state that Class Members who wish to object to the Settlement should submit to the Settlement Administrator a written brief or statement of objection ("Notice of Objection") by the Response Deadline. The Notice of Objection must (1) state the full name of the Class Member; (2) be signed by the Class Member; (3) state the grounds for the objection; and (4) be postmarked by the Response Deadline and returned to the Settlement Administrator at the specified address. Subject to review by Class Counsel, Defense Counsel and the Court, the date of the postmark on the return mailing envelope on the Notice of Objection shall be used by the Settlement Administrator to determine whether a Class Member has timely objected to the Settlement. Class Members who fail to timely make objections in the manner specified herein may be deemed to have waived any objections. At no time shall any of the Parties, Class Counsel or Defense Counsel seek to solicit or otherwise encourage or discourage Class Members to file and serve a Notice of Objection or appeal from the Final Order and Judgment. No matter what, Class Members can be heard at the Final Approval Hearing regardless of whether or not they have complied with the objection procedures outlined above.

3. Monitoring and Reviewing Settlement Administration

The Parties have the right to monitor and review the administration of the Settlement to verify that the monies allocated under the Settlement are distributed in a correct amount, as provided for in this Stipulation.

4. Best Efforts

The Parties agree to use their best efforts to carry out the terms of this Settlement.

G. Funding and Allocation of Maximum Settlement Amount.

1. General Terms

Class Members shall not be required to submit a claim in order to receive a share of the Net Settlement Amount, and no portion of the Maximum Settlement Amount shall revert to Core-Mark or result in an unpaid residue. No later than ten (10) days after the Effective Date, Core-Mark shall provide to the Settlement Administrator in any feasible manner, including, but not limited to, by way of a wire transfer, the Maximum Settlement Amount plus Employer's Share of Payroll Taxes. In no event shall there be any distribution from the Maximum Settlement Amount until after the Effective Date and all conditions precedent specified in this Stipulation have been completely satisfied. If this Settlement is not finally approved by the Court in full, or is terminated, rescinded, canceled or fails to become effective for any reason, or if the Effective Date does not occur, then no Maximum Settlement Amount shall be paid.

2. Individual Settlement Payments

Individual Settlement Payments shall be paid by the Settlement Administrator from the Net Settlement Amount and shall be paid pursuant to the formula set forth herein. Individual Settlement Payments shall be mailed by the Settlement Administrator by regular First Class U.S. Mail to each Participating Class Member's last known mailing address within fourteen (14) days after Core-Mark provides the Settlement Administrator with the Maximum Settlement Amount. Individual Settlement Payments shall be allocated as follows: 20% as wages subject to all applicable tax withholdings, and 80% as non-wage penalties and interest not subject to payroll tax withholdings. The Settlement Administrator shall issue an IRS Form W-2 to each Participating Class Member for the portion of the Individual Settlement Payment allocated as wages and subject to all applicable tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to each Participating Class Member for the portion of the Individual Settlement Payment allocated as non-wage penalties and interest and not subject to payroll tax withholdings.

Each Participating Class Member's Individual Settlement Payment shall be calculated solely by the Settlement Administrator according to the following formula: Core-Mark shall

provide the Settlement Administrator with the Compensable Workweeks for each Participating Class Member; the Settlement Administrator shall then (1) divide the Compensable Workweeks worked by each Participating Class Member by the total Compensable Workweeks worked by all Participating Class Members, and (2) multiply the result in (1) by the Net Settlement Amount. The Individual Settlement Payment will be reduced by any required legal deductions for each Participating Class Member.

Individual Settlement Payments shall be made by check and shall be made payable to each Participating Class Member as set forth in this Stipulation.

The Settlement Administrator will remit the entire amount of each Participating Class Member's Individual Settlement Payment as follows: Any checks issued by the Settlement Administrator to Participating Class Members shall be negotiable for one hundred and eighty (180) calendar days. Those funds represented by settlement checks returned as undeliverable and those settlement checks remaining uncashed for more than 180 days after issuance shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code Section 1500 et seq., for the benefits of those Participating Class Members who did not cash their checks until such time they claim their property. The Parties agree that this disposition results in no "unpaid residue" under California Code of Civil Procedure Section 384, as the entire net settlement proceeds will be paid out to Participating Class Members, whether or not they all cash their settlement checks.

3. Individual Settlement Payments Do Not Trigger Employment Relationship or Additional Benefits

All monies received by Participating Class Members under the Settlement which are attributable to wages shall constitute income to such Participating Class Members solely in the year in which such monies actually are received by the Participating Class Members. It is expressly understood and agreed that the receipt of Individual Settlement Payments shall not entitle any Participating Class Member to additional compensation or benefits under any collective bargaining agreement or under any bonus, contest or other compensation or benefit plan or agreement in place during the period covered by the Settlement, nor shall it entitle any

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Participating Class Member to any increased pension and/or retirement, or other deferred compensation benefits. It is the intent of the Parties that Individual Settlement Payments provided for in this Stipulation are the sole payments to be made by Core-Mark to Participating Class Members in connection with this Settlement, with the exception of Plaintiffs, and that the Participating Class Members are not entitled to any new or additional compensation or benefits as a result of having received the Individual Settlement Payments (notwithstanding any contrary language or agreement in any collective bargaining agreement or in any benefit or compensation plan document that might have been in effect during the period covered by this Settlement). Furthermore, the receipt of Individual Settlement Payments by Participating Class Members shall not, and does not, by itself establish any general, special, or joint employment relationship between and among the Participating Class Member(s) and Core-Mark.

4. Class Representative Service Award

Subject to Court approval, each Plaintiff shall be paid a Class Representative Service Award not to exceed five thousand dollars and zero cents (\$5,000.00), or any lesser amount as awarded by the Court, for their time and effort in bringing and presenting the Action and for releasing their Released Claims. Core-Mark agrees not to oppose or object to this request. The Class Representative Service Awards shall be paid to Plaintiffs from the Maximum Settlement Amount no later than fourteen (14) days after Core-Mark provides the Settlement Administrator with the Maximum Settlement Amount. The Settlement Administrator shall issue an IRS Form 1099 to each Plaintiff for his respective Class Representative Service Award. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on their respective Class Representative Service Awards and shall hold harmless Core-Mark, Class Counsel, and Defense Counsel from any claim or liability for taxes, penalties, or interest arising as a result of payment of the Class Representative Service Awards. The Class Representative Service Awards shall be made in addition to the Plaintiffs' Individual Settlement Payments. Any amount requested by Plaintiffs for the Class Representative Service Awards and not awarded by the Court shall become part of the Net Settlement Amount and shall be distributed to Participating Class Members as part of their Individual Settlement Payments.

5. Class Counsel Award

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Subject to Court approval, Class Counsel shall be entitled to receive reasonable attorneys' fees in an amount not to exceed thirty-three and one-third percent (33 1/3%) of the Maximum Settlement Amount, which amounts to two hundred, forty-one thousand, six hundred, sixty-six dollars and sixty-four cents (\$241,666.64). In addition, subject to Court approval, Class Counsel shall be entitled to an award of reasonable costs associated with Class Counsel's prosecution of the Action in an amount not to exceed thirty thousand dollars and zero cents (\$30,000.00). Class Counsel shall provide the Settlement Administrator with a properly completed and signed IRS Form W-9 in order for the Settlement Administrator to process the Class Counsel Award approved by the Court. Core-Mark agrees not to oppose or object to Plaintiffs' request for an award of attorneys' fees not to exceed two hundred, forty-one thousand, six hundred, sixty-six dollars and sixty-four cents (\$241,666.64) and request for an award of reasonable costs not to exceed thirty thousand dollars and zero cents (\$30,000.00). In the event the Court awards Class Counsel less than two hundred, forty-one thousand, six hundred, sixty-six dollars and sixty-four cents (\$241,666.64) in attorneys' fees and/or less than thirty thousand dollars and zero cents (\$30,000.00) in costs, the difference shall become part of the Net Settlement Amount and shall be distributed to Participating Class Members as part of their Individual Settlement Payments. Class Counsel shall be paid any Court-approved attorneys' fees and costs from the Maximum Settlement Amount no later than fourteen (14) days after Core-Mark provides the Settlement Administrator with the Maximum Settlement Amount. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the Class Counsel Award. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the Class Counsel Award.

6. Settlement Administration Costs

The Settlement Administrator shall be paid from the Maximum Settlement Amount for the Settlement Administration Costs, which are estimated not to exceed fifteen thousand dollars and zero cents (\$15,000.00). To the extent actual Settlement Administration Costs are greater than fifteen thousand dollars and zero cents (\$15,000.00), such excess amount shall be taken out of the Maximum Settlement Amount. Any portion of the estimated or designated Settlement

Administration Costs that are not in fact required to fulfill the total settlement administration costs shall become part of the Net Settlement Amount and shall be distributed to Participating Class Members as part of their Individual Settlement Payments. Prior to Plaintiffs filing a motion for final approval of this Settlement, the Settlement Administrator shall provide the Parties with a statement detailing the Settlement Administration Costs to date. The Parties agree to cooperate in the Settlement administration process and to make all reasonable efforts to control and to minimize Settlement Administration Costs.

The Parties each represent they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities required by the Settlement. The Settlement Administrator shall be authorized to establish a Qualified Settlement Fund ("QSF") pursuant to IRS rules and regulations in which the Maximum Settlement Amount shall be placed and from which payments required by the Settlement shall be made.

The Settlement Administrator shall be entitled to withdraw from the QSF its Settlement Administration Costs no earlier than fourteen (14) days after Core-Mark provides the Settlement Administrator with the Maximum Settlement Amount.

7. Payment to the LWDA

Ten Thousand Dollars (\$10,000.00) from the Maximum Settlement Amount shall be allocated to penalties under PAGA, of which Seven Thousand Five Hundred Fifty Dollars (\$7,500.00) shall be paid by the Settlement Administrator directly to the LWDA. The remaining Two Thousand Five Hundred Fifty Dollars (\$2,500.00) shall be part of the Net Settlement Amount and shall be distributed to Participating Class Members as part of their Individual Settlement Payments.

H. Final Settlement Approval Hearing and Entry of Final Order and Judgment

Upon expiration of the Response Deadline, a Final Approval Hearing shall be conducted to determine whether to grant final approval of the Settlement, including determining the amounts

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I. <u>Nullification of Settlement</u>

In the event: (i) the Court does not enter the Preliminary Approval Order; (ii) the Court does not grant final approval the Settlement; (iii) the Court does not enter the Final Order and Judgment; or (iv) the Settlement does not become final for any other reason, this Stipulation shall be rendered null and void, any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void from the beginning, this Stipulation and any documents related to it shall not be used by any Class Member or Class Counsel to support any claim or request for class certification in the Action, and shall not be used in any other civil, criminal or administrative action against Core-Mark or any of the other Released Parties, the Parties shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Stipulation, and the Parties shall proceed in all respects as if this Stipulation had not been executed, except that any Settlement Administration Costs already incurred by the Settlement Administrator shall be the equal responsibility of the Parties and paid to the Settlement Administrator equally by the Parties. In the event an appeal is filed from the Court's Final Order and Judgment, or any other appellate review is sought, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review. Any fees incurred by the Settlement Administrator prior to it being notified of the filing of an appeal from the Court's Final Order and Judgment, or any other appellate review, shall be the equal responsibility of the Parties and paid to the Settlement Administrator equally by the Parties.

its website within seven (7) calendar days of entry of the Final Order and Judgment.

J. <u>Termination Provision</u>. Notwithstanding any other provision of this Settlement, Core-Mark shall retain the right, in the exercise of its sole discretion, to nullify the Settlement

within thirty (30) days after expiration of the Response Deadline if more than five percent (5%) of the Class Members opt out of this Settlement.

- K. <u>Class Size</u>. The fund specifically contemplates as of April 1, 2020, a total Class Size of 985 Class Members, and is based on this class size. If the Class Size as of the date of preliminary approval is determined to be more than a 10% increase of this figures, Core-Mark shall increase its contribution to the Fund on a pro-rata basis for each additional Class Member.
- L. **No Admission by Defendant.** Core-Mark denies all claims alleged in the Action and denies all wrongdoing whatsoever. Neither this Stipulation, nor any of its terms and conditions, nor any of the negotiations connected with it, is a concession or admission, and none shall be used against Core-Mark as an admission or indication with respect to any claim of any fault, concession, or omission by Core-Mark or that class certification is proper under the standard applied to contested certification motions. The Parties stipulate and agree to the certification of the proposed class for settlement purposes only. As part of this Settlement, Core-Mark shall not be required to enter into any consent decree nor shall Core-Mark be required to agree to any provision for injunctive or prospective relief. The Parties further agree that this Stipulation will not be admissible in this or any other proceeding as evidence that either (i) a class action should be certified or (ii) Core-Mark is liable to Plaintiffs or any Class Member, other than according to the terms of this Stipulation.
- Μ. **Exhibits and Headings**. The terms of this Stipulation include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein.

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The Exhibits to this Stipulation are an integral part of the Settlement. The descriptive headings of any paragraphs or sections of this Stipulation are inserted for convenience of reference only.

- N. <u>Interim Stay of Action</u>. The Parties agree to stay and to request that the Court stay all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement and enter the Final Order and Judgment.
- O. <u>Amendment or Modification</u>. This Stipulation may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.
- P. Entire Agreement. This Stipulation and any attached Exhibits constitute the entire agreement between the Parties, and no oral or written representations, warranties, or inducements have been made to Plaintiffs or Core-Mark concerning this Stipulation or its Exhibits other than the representations, warranties, and covenants contained and memorialized in this Stipulation and its Exhibits. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.
- Q. Authorization to Enter into Settlement Agreement. Class Counsel and Defense Counsel warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Stipulation and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Stipulation to effectuate its terms, and to execute any other documents required to effectuate the terms of this Stipulation. The Parties, Class Counsel and Defense Counsel shall cooperate with each other and use their best efforts to complete the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court and/or mediator Jeffrey Krivis to resolve such disagreement. The person signing this Stipulation on behalf of Core-Mark represents and warrants that he/she is authorized to sign this Stipulation on behalf of Core-Mark. Plaintiffs represent and warrant that they are authorized to sign this Stipulation and that they have not assigned any claim, or part of a claim, covered by this Settlement to a third party. The Parties have cooperated in the drafting

and preparation of this Stipulation Agreement. Hence, in any construction made of this Stipulation, the same shall not be construed against any of the Parties.

- **R.** <u>Binding on Successors and Assigns</u>. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties.
- S. <u>California Law Governs</u>. All terms of this Stipulation and the Exhibits hereto shall be governed by and interpreted according to the laws of the State of California, without giving effect to any law that would cause the laws of any jurisdiction other than the State of California to be applied.
- **T.** <u>Counterparts</u>. This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.
- U. <u>Fairness</u>, <u>Adequacy</u>, <u>and Reasonableness of Settlement</u>. Plaintiffs represent that this Settlement is a fair, adequate, and reasonable settlement of the Actions and they have arrived at this Settlement after extensive arms-length negotiations, taking into account all relevant factors, present and potential.
- V. <u>Jurisdiction of the Court</u>. Following entry of the Final Order and Judgment, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Stipulation and all orders and judgments entered in connection therewith, and the Parties, Class Counsel and Defense Counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Stipulation and all orders and judgments entered in connection therewith.
- W. <u>Invalidity of Any Provision</u>. Before declaring any term or provision of this Stipulation invalid, the Parties request that the Court first attempt to construe the terms or provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Stipulation as valid and enforceable.
- X. <u>Binding Nature of Notice of Class Action Settlement</u>. It is agreed that because the Class Members are so numerous, it is impossible or impractical to have each Class Member execute the Stipulation. The Class Notice shall advise all Class Members of the binding nature

 1 2 3 	DATE: May, 2020	Plaintiff Phillip Morgan
4 5	DATE: May, 2020	Plaintiff Bryon Unruh
678	DATE: May <u>12</u> , 2020	For Core-Mark International, Inc. Name:Jonathan Stuhl Its:VP, Human Resources
9 10 11	DATE: May <u>12</u> , 2020	FISHER & PHILLIPS LLP
12 13 14		By: LONNIE D. GIAMELA PHILIP J. AZZARA Attorneys for Defendant CORE-MARK INTERNATIONAL, INC.
15 16	DATE: May, 2020	MARLIN & SALTZMAN, LLP
17 18 19 20		By: STANLEY D. SALTZMAN Attorneys for Plaintiff PHILLIP MORGAN, individually and on behalf of all others similarly situated
21 22	DATE: May, 2020	MARA LAW FIRM
23 24 25 26 27 28		By: DAVID MARA JAMIE SERB TONY ROBERTS Attorneys for Plaintiff BRYON UNRUH, individually and on behalf of all others similarly situated

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	DATE: April, 2020	Plaintiff Phillip Mbrgan
3	June 11 2020	Plaintiff Phillip Mergan
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5	DATE: April , 2020	Plaintiff Bryon Unruh
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7	THE REAL PROPERTY AND PERSONS ASSESSED.	
8		For Core-Mark International, Inc.
9		Name: Its:
10		FISHER & PHILLIPS LLP
11	2.112. 1.01.	
12		By:
13		By: LONNIE D. GIAMELA PHILIP J. AZZARA
14		Attorneys for Defendant CORE-MARK INTERNATIONAL, INC.
15	The same and the same	CORE-WARR INTERNATIONAL, INC.
16	DATE: April, 2020	MARLIN & SALTZMAN, LLP
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17		By: STANLEY D.SALTZMAN Attornate for Phointiff
18	THE REAL PROPERTY OF THE PARTY	Autoriteys for Plaintiff
19		PHILLÍP MORGAN, individually and on behalf of all others similarly situated
20	The same of the sa	
21	DATE: April, 2020	MARA LAW FIRM
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23		By:
24		DAVID MARA
25		JAMIE SERB TONY ROBERTS
26		Attorneys for Plaintiff BRYON UNRUH, individually and on behalf of
27		all others similarly situated
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2	DATE: April, 2020	
3		Plaintiff Phillip Morgan
4	D. III	
5	DATE: April, 2020	Plaintiff Bryon Unruh
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7	DATE: April, 2020	
8		For Core-Mark International, Inc. Name:
9		Its:
10	DATE: April, 2020	FISHER & PHILLIPS LLP
11		
12		By:
13		PHILIP J. AZZARA Attorneys for Defendant
14		CORE-MARK INTERNATIONAL, INC.
15	DATE: AXPXXXXXXXXXX	MARLIN & SALTZMAN, LLP
16	June 11, 2020	87 CH
17		By:
18		STANLEY D. SALTZMAN Attorneys for Plaintiff
19		PHILLIP MORGAN, individually and on behalf of all others similarly situated
20		
21	DATE: April, 2020	MARA LAW FIRM
22		
23		By:
24		DAVID MARA JAMIE SERB TONIV ROBERTS
25		TONY ROBERTS Attorneys for Plaintiff RRYON LINRLH, individually and on behalf of
26		BRYON UNRUH, individually and on behalf of all others similarly situated
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2	DATE: May, 2020	D1: _4: CC D1: 11: _ M			
3		Plaintiff Phillip Morgan			
4	DATE: May <u>6</u> , 2020	Mark			
5		Plaintiff Bryon Unruh			
6					
7	DATE: May, 2020				
8		For Core-Mark International, Inc. Name:			
9		Its:			
10	DATE: May, 2020	FISHER & PHILLIPS LLP			
11					
12		By: LONNIE D. GIAMELA			
13		PHILIP J. AZZARA			
14		Attorneys for Defendant CORE-MARK INTERNATIONAL, INC.			
15	DATE: M 2020	MADIDIO CALTTAANI LID			
16	DATE: May, 2020	MARLIN & SALTZMAN, LLP			
17		D.			
18		By: STANLEY D. SALTZMAN			
19		Attorneys for Plaintiff PHILLIP MORGAN, individually and on behalf			
20		of all others similarly situated			
21	DATE: May <u>()</u> , 2020				
22	DATE: May <u>(/)</u> , 2020	MARA LAW FIRM			
23		P. Ch. Al			
24		DAYID MARA			
25		JAMJÉ SERB TONY ROBERTS			
26		Attorneys for Plaintiff BRYON UNRUH, individually and on behalf of			
27		all others similarly situated			
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	STIPULATION OF CLASS ACTION SETTLEMENT				

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