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12 Attorneys for Defendants
13 DENTSU MCGARRY BOWEN LLC and RYAN LINDHOLM

14 **SUPERIOR COURT OF CALIFORNIA**
15 **COUNTY OF SAN FRANCISCO**

17 JUSTINE K. DHARNI, an individual, on behalf
of herself and all others similarly situated,

18
19 Plaintiff,

20 v.

21 DENTSU MCGARRY BOWEN L.L.C., a New
York Limited Liability Company, RYAN
22 LINDHOLM, an individual, and DOES 1
through 25, Inclusive,

23
24 Defendants.
25
26
27
28

Case No. CGC-21-590170

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

1 This Class Action Settlement Agreement (“Settlement” or “Agreement”) is made by and
2 between Plaintiff Justine Dharni (“Dharni” or “Plaintiff”), and Defendant Dentsu McGarry Bowen
3 L.L.C. (“McGarry Bowen” or “Defendant”) (Plaintiffs and Defendants collectively referred to
4 herein as the “Parties”) with regard to the lawsuit filed against Defendant in the San Francisco
5 County Superior Court, styled *Justine K. Dharni, et al. v. Dentsu McGarry Bowen L.L.C., et al.*,
6 San Francisco Superior Court Case No. CGC-21-590170 (the “Action”).

7 **THE SETTLEMENT**

8 1. Subject to the Court’s approval pursuant to Section 382 of the California Code of
9 Civil Procedure and Rule 3.769 of the California Rules of Court, Plaintiff and Defendant have
10 agreed to settle the Actions upon the terms and conditions and for the consideration set forth in this
11 Agreement. This Agreement and the promises and obligations set forth herein are intended to
12 effectuate a final resolution and dismissal of the Actions in their entirety and without limitations,
13 and this Agreement is made and intended to be enforceable in accordance with the provision of
14 California Code of Civil Procedure § 664.6. Upon final approval of the Court of this Settlement as
15 set forth herein, the Action shall be promptly dismissed and done so with prejudice as to the claims
16 released by this Agreement, subject to the Court’s ongoing jurisdiction to ensure the Parties’
17 compliance with the Agreement and the Court’s orders with respect to the Agreement.

18 2. A summary of the terms of the Agreement is as follows:

19 (a) Defendants shall pay the gross settlement amount of Three Hundred
20 Thousand Dollars and No Cents (\$300,000.00), inclusive of all Settlement
21 Payments to individual Class Members, all attorneys’ fees and expenses
22 (including court costs) to be paid to Class Counsel, any Class Representative
23 Enhancement Awards, any settlement administration costs, any payments
24 made pursuant to the California Labor Code Private Attorneys General Act of
25 2004 (“PAGA”), and the employee portion of payroll taxes or tax
26 withholdings due on the Settlement Payments to the individual Class
27 Members. In no event shall Defendants be required to pay more than the
28 Gross Settlement Amount under this Agreement, except for the employer’s

1 share of any payroll taxes due on the settlement payments made pursuant to
2 this Agreement, and in no event shall any amount of the Gross Settlement
3 Amount revert to Defendants' possession. The employer portion of any
4 required payroll taxes will be paid separately by Defendants and not from the
5 Gross Settlement Amount.

6 (b) The Agreement shall be administered on an opt-out basis. This means that
7 unless a Class Member submits a valid and timely Request for Exclusion
8 from the Settlement, as described herein, the Class Member will be bounded
9 by the terms of this Agreement, including the release of claims, as set forth
10 herein.

11 (c) The Agreement shall apply to and include three classes, which are referred to
12 herein as the "FCRA Class," the "Wage Statement Class," and the "UCL
13 Class," and at times collectively as the "Class." Members of the Class who
14 do not submit valid and timely Requests for Exclusion from the Settlement
15 shall receive Settlement Payments in accordance with paragraphs 59 through
16 66 of the Agreement.

17 (d) The Settlement Administrator shall be CPT Group, subject to approval of the
18 Court. From the Gross Settlement Amount, settlement administration fees in
19 a reasonable amount shall be paid to the Settlement Administrator.
20 Settlement administration fees are estimated not to exceed eight thousand
21 dollars and no cents (\$8,000.00). If the actual cost of settlement
22 administration is less or more than the amount of approval by the Court,
23 those funds shall be added to or subtracted from the Net Settlement Amount.

24 (e) Class Counsel may seek attorneys' fees up to One Hundred Thousand Dollars
25 and No Cents (\$100,000.00), which is Thirty Three Percent (33%) of the
26 Gross Settlement Amount, as well as a reasonable recovery of litigation costs
27 in an amount not to exceed Twelve Thousand Dollars and No Cents
28

1 (\$12,000.00), both of which shall be deducted from the Gross Settlement
2 Amount, and neither of which shall be opposed by Defendant.

3 (f) From the Gross Settlement Amount, the Class Representative may seek from
4 the Court an Enhancement Award not to exceed Five Thousand Dollars and
5 No Cents (\$5,000.00), which Defendant shall not oppose.

6 (g) From the Gross Settlement Amount, Three Point Three Percent (3.3%) shall
7 be allocated to penalties under the California Labor Code Private Attorneys
8 General Act of 2004, California Labor Code Sections 2698, *et seq.*
9 (“PAGA”), which amounts to Ten Thousand Dollars and No Cents
10 (\$10,000.00), and Seventy-Five Percent (75%) of which shall be paid by the
11 Settlement Administrator directly to the California Labor and Workforce
12 Development Agency (“LWDA”). The remaining Twenty-Five Percent
13 (25%) shall be part of the Net Settlement Amount and shall be distributed to
14 PAGA Members as part of their Settlement Payments and shall be based on
15 their pro rata number of qualifying workweeks worked during the PAGA
16 Period. (the “PAGA Allocation”).

17 (h) Within the Net Settlement Amount, Fifty Thousand Dollars and No Cents
18 (\$50,000.00) shall be allocated to the Settlement Payments to the FCRA
19 Class (the “FCRA Allocation”) in accordance with paragraphs 59 through 66
20 of the Agreement.

21 (i) Within the Net Settlement Amount, Fifty Thousand Dollars and No Cents
22 (\$50,000.00) shall be allocated to the Settlement Payments to the Wage
23 Statement Class (the “Wage Statement Allocation”) in accordance with
24 paragraphs 59 through 66 of the Agreement.

25 (j) Within the Net Settlement Amount, Sixty Thousand Dollars and No Cents
26 (\$60,000.00) shall be allocated to the Settlement Payments to the Unfair
27 Competition Law Class (“the UCL Allocation”). In addition, all funds
28 remaining in the Net Settlement Amount after distribution of the FCRA

1 Allocation, Wage Statement Allocation, UCL Allocation, and PAGA
2 Allocation shall be distributed to Participating UCL Class Members on a pro
3 rata basis based on the number of Qualifying Pay Periods worked during the
4 Class Period. (“Residual UCL Allocation”)

5 **DEFINITIONS**

6 Unless otherwise defined herein, capitalized terms in this Agreement shall have the
7 meanings set forth below:

8 3. “Class Counsel” means

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10 Jeffrey R. Krinsk, Esq. (SBN 109234)
11 jrkr@classactionlaw.com
12 Jeffrey Jackson, Esq. (SBN 290364)
13 jeffrey@jacksonlaw.biz
14 501 West Broadway, Suite 1260
15 San Diego, California 92101
16 Telephone: (619) 238-1333
17 Facsimile: (619) 238-5425

18 4. “Class,” “Class Member,” or “Class Members” means all individuals who are
19 members of any of the three classes to be certified for settlement purposes by the Court, i.e., (1) the
20 FCRA Class, (2) the Wage Statement Class, and (3) the UCL Class.

21 5. “Class List” or “Class Lists” means a complete list of all FCRA, Wage Statement
22 Class, and UCL Class Members and PAGA Members, that Defendant will diligently and in good
23 faith compile from their records and provide to the Settlement Administrator within thirty (30)
24 calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in a
25 readable Microsoft Office Excel spreadsheet and will include the following two lists: one list
26 containing each UCL Class Member’s: (1) full name; (2) last known home address; (3) last known
27 telephone number; (4) social security number and/or Employee ID number; (5) start and end dates
28 of active employment as an hourly-paid non-exempt employee of Defendants; (6) total Qualifying
Workweeks during the Class Period for UCL Class Members; (7) total Qualifying Workweeks
during the PAGA Period; and (8) total Qualifying Workweeks during the Class Period for Wage
Statement Class Members; and a second list containing each FCRA Class Member’s: (1) full name;
(2) last known home address; (3) last known telephone number; and (4) social security number

1 and/or Employee ID number; as well any other information required by the Settlement
2 Administrator in order to effectuate the terms of the Settlement.

3 6. “Class Period” means March 12, 2016 through December 31, 2021 for the FCRA
4 Class; March 12, 2017 to December 31, 2021 for the UCL Class; and March 12, 2020 to December
5 31, 2021 for the Wage Statement Class.

6 7. “Class Representative” means Justine K. Dharni.

7 8. “Complaint” and “Amended Complaints” means the Complaint, the First Amended
8 Complaint, and Second Amended Complaint, filed by Dharni on March 15, 2021, May 19, 2021,
9 and May 5, 2022 respectively.

10 9. “Court” means the San Francisco County Superior Court.

11 10. “Defendant” or “McGarry Bowen” means dentsu McGarry Bowen L.L.C..

12 11. “Defense Counsel” means

13 Christina T. Tellado
14 Samuel J. Stone
15 HOLLAND & KNIGHT LLP
16 400 S. Hope Street, 8th Floor
17 Los Angeles, CA 90071
18 Telephone: (213) 896-2400
19 Facsimile: (213) 896-2450

20 12. “Effective Date” means the later of the following:

- 21 (i) if no timely objections are filed, or if all objections are withdrawn, the date
22 upon which the Court enters the Final Order and Judgment approving the
23 Settlement;
24 (ii) if an objection is filed and not withdrawn, the date for filing an appeal and no
25 such appeal being filed; and
26 (iii) if any timely appeals are filed, the date of the resolution (or withdrawal) of
27 any such appeal in a way that does not alter the terms of the Settlement.

28 13. “Enhancement Award” means any payment to the Class Representative for their
service to the Class, the risks they undertook and their general release in favor of Defendant, which
is in addition to whatever payment they may otherwise be entitled to as a Class Member.

1 14. “FCRA Class” means all individuals who worked in the State of California and for
2 whom Defendant requested a consumer report for employment purposes between March 12, 2016
3 and December 31, 2021.

4 15. “Final Fairness and Approval Hearing” means the hearing to be requested by
5 Plaintiff and conducted by the Court after the filing by Plaintiff of an appropriate motion and
6 following appropriate notice to Class Members giving Class Members an opportunity to opt out
7 from the Class and Settlement and/or to object to the Settlement, at which time Plaintiff shall
8 request that the Court finally approve the fairness, reasonableness and adequacy of the terms and
9 conditions of the Settlement, enter the Final Order and Judgment, and take other appropriate action.

10 16. “Final Order and Judgment” means the order and judgment to be entered by the
11 Court upon granting final approval of the Settlement and this Agreement as binding upon the
12 Parties and the Class Members who do not properly and timely Opt Out. Notice of the Final Order
13 and Judgment shall be posted on the Settlement Administrator’s website.

14 17. “Gross Settlement Amount” means the maximum amount of Three Hundred
15 Thousand Dollars and No Cents (\$300,000.00) that Defendant shall be required to pay under this
16 Agreement.

17 18. “Net Settlement Amount” means the amount of money remaining after Class
18 Counsel’s attorneys’ fees and costs, any Enhancement Award to the Class Representative,
19 settlement administration costs and expenses to the Settlement Administrator, and the PAGA
20 payment to the LWDA are all deducted from the Gross Settlement Amount. The Net Settlement
21 Amount will be allocated into three funds. Fifty Thousand Dollars and No Cents (\$50,000.00) of
22 the Net Settlement Amount shall be reserved for payments to the FCRA Class. Fifty Thousand
23 Dollars and No Cents (\$50,000.00) of the Net Settlement Amount shall be reserved for payments to
24 the Wage Statement Class. Two Thousand Five Hundred Dollars and No Cents (\$2,500.00) shall be
25 allocated for distribution to PAGA Members. The remainder of the Net Settlement Amount shall be
26 allocated to the UCL Class. The entire Net Settlement Amount will be distributed to Participating
27 Class Members/PAGA Members without the need for Participating Class Members/PAGA
28 Members to submit claim forms.

1 19. “Notice of Class Settlement” means the form attached hereto as Exhibit 1 or
2 whichever form is approved by the Court that shall be mailed to Class Members to inform them of
3 the terms of this Agreement and their rights and options related thereto. “Electronic Notice of Class
4 Settlement” means the form attached hereto as Exhibit 2, or whatever form is approved by the Court
5 that shall be electronically provided to Class Members whose electronic mail addresses are known
6 to the parties, to inform them of the terms of this Agreement and their rights and options related
7 thereto.

8 20. “Opt Out Request” or “Request for Exclusion” means a written request for exclusion
9 that a Class Member may submit to be excluded from the Class and the Settlement. Requests for
10 Exclusion shall be in the form described in paragraphs 50-52.

11 21. “PAGA Members” means all individuals who are or previously were employed by
12 Defendant in California during the time period March 12, 2020 to December 31, 2021.

13 22. “PAGA Period” means the period from March 12, 2020 through December 31, 2021.

14 23. “PAGA Letters” means the notices of alleged Labor Code violations that Plaintiff
15 caused to be sent to the LWDA pursuant to Labor Code Section 2699.3(1) on or about March 12,
16 2021.

17 24. “PAGA Payment” means the amount that the Parties have agreed to allocate in order
18 to settle claims arising under the Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, et
19 seq.) (“PAGA”). The Parties have agreed that Ten Thousand Dollars and No Cents (\$10,000.00) of
20 the Gross Settlement Amount will be allocated to the resolution of Plaintiff’s PAGA Claims.
21 Seventy-Five Percent (75%) of this amount (\$7,500.00) will be paid to the California Labor and
22 Workforce Development Agency in accordance with Labor Code §§ 2698 *et seq.*, while Twenty-
23 Five Percent (25%) of this amount (\$2,500.00), will be included in the Net Settlement Amount and
24 distributed to PAGA Members. PAGA Members will receive payment from the employee portion
25 of the PAGA Payment regardless of their decision to participate in the class action if the PAGA
26 Payment is approved by the Court.

27 25. “Participating Class Members” means all Class Members who do not submit a
28 timely and valid Request for Exclusion from a specific subclass to the Settlement Administrator.

1 26. “Qualifying Workweek” means a calendar week during which a member of the UCL
2 Class worked at least one day as an employee of Defendant in California during the Class Period.

3 27. “Qualifying Workweeks” means the total number of calendar weeks that each
4 member of the UCL Class was employed by Defendant in California as non-exempt employees
5 during the Class Period.

6 28. “Released Claims” are defined in paragraphs 78-80 of this Agreement.

7 29. “Released Parties” means Defendants Dentsu McGarry Bowen L.L.C., Ryan
8 Lindholm, and past and present corporate affiliates, subsidiaries, divisions, related entities, divested
9 business and business units, and each of their respective present and former board members,
10 directors, officers, shareholders, agents, representatives, employees, partners, attorneys, insurers,
11 predecessors, successors, assigns, affiliated companies and entities.

12 30. “Response Deadline” refers to the sixty (60) day period following the date the
13 Settlement Administrator mails the Notice of Class Settlement to Class Members, and within which
14 any Class Member who wishes to be excluded from the Class and this Settlement may submit a
15 Request for Exclusion, written objection, or dispute regarding the number of weeks worked during
16 the Class Period or other information contained in the Notice. “Settlement” means the settlement as
17 provided for in this Agreement.

18 31. “Settlement Administrator” means CPT Group Claims Administration.

19 32. “Settlement Payment” or “Settlement Payments” means the amount payable from the
20 Net Settlement Amount to each Participating Class Member/PAGA Member.

21 33. “UCL Class” means all individuals who worked in the State of California for
22 Defendant from March 12, 2017 to December 31, 2021.

23 34. “Wage Statement Class” means all individuals who worked in the State of California
24 and for whom Defendant provided a wage statement between March 12, 2020 and December 31,
25 2021.

BACKGROUND

26
27 35. On March 15, 2021, Dharni, on behalf of herself and other allegedly aggrieved
28 current and former California employees, filed a Complaint in San Francisco Superior Court. On

1 May 19, 2021, Dharni amended her Complaint to allege an additional cause of action pursuant to
2 PAGA (“FAC”). Dharni’s Complaint and FAC allege, *inter alia*, that Defendant: (1) failed to
3 provide accurate itemized wage statement as required by Labor Code section 226; (2) failed to
4 reimburse necessary business expenses in violation of Labor Code section 2802; and (3) committed
5 unfair business practices in violation of Business & Professions Code section 17200 by way of the
6 alleged failure to reimburse business expenses; and thus that she was entitled to recover for the
7 substantive Labor Code violations and civil penalties pursuant to PAGA predicated on the
8 aforementioned Labor Code violations in addition to attorneys’ costs and fees in connection
9 therewith.

10 36. Additionally, through the course of investigation and litigation of the Complaint and
11 FAC, Plaintiff discovered and thereafter alleged additional causes of action for violations of the
12 federal Fair Credit Reporting Act (“FCRA”), 15 U.S.C. § 1681b(b)(2)(A)(i), by way of a Second
13 Amended Complaint (“SAC”) (the FAC and SAC are collectively referred to herein as the
14 “Amended Complaints”).

15 37. Defendant denies each of the allegation of the Complaints, Amended Complaints,
16 and the PAGA letter, and deny that they have any liability to Plaintiff or the Class or any allegedly
17 aggrieved current or former employees, and deny that Plaintiffs or the Class or any allegedly
18 aggrieved employee is entitled to any relief.

19 38. Class Counsel and Defense Counsel have extensive experience in litigating wage and
20 hour class actions in California, and they have vigorously litigated the Actions since their inception.

21 39. On December 22, 2021, Plaintiff and Defendant engaged in mediation before
22 Mediator Jeffrey Krivis, an experienced mediator in this area of law. The Parties reached an
23 agreement on the key terms of a class action settlement, which was memorialized in a
24 Memorandum of Understanding and fully executed by the Parties on December 23, 2021.

25 40. This Agreement further memorializes the Parties’ settlement and is made in
26 compromise of and embraces all claims against the Released Parties as enumerated in this
27 Agreement.

28

1 41. Because the settled case is a class action, this Agreement must receive preliminary
2 and final approval by the Court. Accordingly, Plaintiff and Defendant enters into this Agreement
3 on a conditional basis. Should the Court, or any other court taking jurisdiction of this matter,
4 decline to approve all material aspects of the Settlement or make any ruling substantially altering
5 the material terms of the Settlement, the Settlement shall be voidable and unenforceable as to
6 Plaintiff and Defendant, at the option of any party. Any party may exercise their or its option to
7 void this Settlement by giving notice, in writing, to the other parties and to the Court at any time
8 before final approval by the Court of this Settlement. In the event that the Effective Date does not
9 occur, this Agreement shall be deemed null and void *ab initio* and shall be of no force or effect
10 whatsoever, and shall not be referred to or utilized for any purpose. Defendant denies all of
11 Plaintiff's and all class and representative claims as to liability and damages. Defendant expressly
12 reserves all rights to challenge any and all such claims and allegations upon all procedural and
13 factual grounds, including the assertion of all defenses, if the Effective Date of the Settlement does
14 not occur. Likewise, Plaintiff expressly reserve all rights to pursue, amend, dismiss or otherwise
15 dispose of the claims covered under this Settlement in the event the Effective Date of the Settlement
16 does not occur.

17 42. Plaintiff and Class Counsel have concluded, after taking into account the sharply
18 disputed factual and legal issues involved in the Actions, the risks attending further prosecution,
19 and the substantial benefits to be received pursuant to settlement as set forth in this Agreement, that
20 settlement on the terms set forth herein is in the best interest of Plaintiff and the Class, and is fair
21 and reasonable.

22 43. Similarly, Defendant has concluded, after taking into account the sharply disputed
23 factual and legal issues involved in the Actions, the risks and expense attending further litigation,
24 and their desire to put the controversy to rest, that settlement on the terms set forth herein is in their
25 best interests and is fair and reasonable.

26 44. This Settlement contemplates: (i) entry of an order preliminarily approving the
27 Settlement; (ii) distribution of the Notice of Class Settlement to the Class Members; and (iii) entry
28 of a Final Order and Judgment of the Settlement. The Court shall retain jurisdiction over the Action

1 and Parties for purposes of enforcing the Settlement and resolving any disputes relating to the
2 Settlement.

3 **SETTLEMENT APPROVAL AND IMPLEMENTATION PROCEDURE**

4 **Preliminary Approval of Settlement**

5 45. As soon as practicable, Class Counsel shall submit this Agreement to the Court for
6 its preliminary approval. Plaintiffs shall also move the Court to enter a preliminary approval order
7 and to conditionally certify the Wage Statement, FCRA and UCL Classes for purposes of this
8 Settlement only. The submission shall also include admissible evidence as may be required for the
9 Court to determine that this Settlement is fair, adequate and reasonable, as required by Section 382
10 of the California Code of Civil Procedure and Rule 3.7639 of the California Rules of Court. The
11 submission shall also include a proposed Notice of Class Settlement in the form attached hereto as
12 Exhibit 1 and a proposed order granting preliminary approval of Settlement, which shall, among
13 other things, set a Final Fairness and Approval Hearing date. Plaintiffs and Defendants agree that
14 the conditional certification of the FCRA, Wage Statement, and UCL Classes, and Classes
15 generally, for settlement purposes only is in no way an admission by any of the Released Parties
16 that class certification would otherwise be proper.

17 **Cooperation**

18 46. The Parties agree to cooperate with each other to accomplish the terms of this
19 Settlement, including, but not limited to, the timely execution of such documents and such other
20 acts as may be reasonably necessary to implement the terms of this Settlement. Neither the Parties
21 nor any of their attorneys or agents shall solicit or encourage any Class Members to exclude
22 themselves from the Settlement or to object to the Settlement. The Parties to the Settlement shall
23 use their best efforts, including all efforts contemplated by this Agreement and any other efforts that
24 may become necessary by Court order, or otherwise, to effectuate this Settlement and the terms set
25 forth herein.

26 **Work Week Verification**

27 47. Within thirty (30) calendar days of Preliminary Approval, Defendant will provide
28 the Class List to the Settlement Administrator.

1 the Class Member's name, address, telephone number, and social security number and/or Employee
2 ID number; (b) state the Class Member's request to exclude himself or herself from the Settlement
3 and to opt out of the Settlement as to one or more subclasses; (c) be signed by the Class Member or
4 his or her lawful representative; and (d) be addressed and sent to the Settlement Administrator and
5 postmarked no later than sixty (60) days after the date of mailing of the Notice of Class Settlement.
6 Class Members may also request exclusion by returning a form with the same information to the
7 Settlement Administrator at the electronic mail address provided for receiving such requests by the
8 Class Administrator. Any Class Member, who submits a complete, signed and timely Request for
9 Exclusion shall no longer be a member of the applicable sub-classes, shall be barred from
10 participating in this Settlement with respect to any excluded claims, shall be barred from objecting
11 to this Settlement with respect to any excluded claims, and shall receive no benefit from this
12 Settlement with respect to any excluded claims; however, PAGA Members shall nonetheless release
13 all claims arising under PAGA and receive their portion of the PAGA penalty payment. Any
14 untimely or incomplete Request for Exclusion shall be considered null and void. The Settlement
15 Administrator shall notify Class Counsel and Defense Counsel of the number, and the first and last
16 name, of timely opt outs, if any, within seven (7) days after the close of the Response Deadline.

17 52. If a Class Member's Request for Exclusion is defective as to the requirements listed
18 herein, that Class Member will be given an opportunity to cure the defect(s). The Settlement
19 Administrator will mail the Class Member a cure letter within three (3) business days of receiving
20 the defective submission to advise the Class Member that his or her submission is defective and that
21 the defect must be cured to render the Request for Exclusion valid. The Class Member will have until
22 the later of (a) the Response Deadline or (b) fifteen (15) calendar days from the date of the cure letter,
23 whichever date is later, to postmark a revised Request for Exclusion. If a Class Member responds to
24 a cure letter by filing a defective claim, then the Settlement Administrator will have no further
25 obligation to give notice of a need to cure. If the revised Request for Exclusion is not postmarked
26 within that period, it will be deemed untimely.

27 53. If more than Ten Percent (10%) of the members of either the FCRA Class or the
28 UCL Class timely opt out of the Settlement in the manner described herein, then Defendant shall

1 have the right in their sole discretion to rescind and void this Settlement by giving written notice to
2 Class Counsel within seven (7) business days after the end of the Response Deadline. In the event
3 that Defendant exercise this option, Defendant shall solely bear the Administrative costs incurred
4 up to the date it elects to revoke this Settlement.

5 **Declaration of Compliance**

6 54. As soon as practicable, but no later than ten (10) calendar days following the close of
7 the Response Deadline, the Settlement Administrator shall provide Class Counsel and Defense
8 Counsel with a declaration attesting to completion of the notice process set forth in this Agreement,
9 the number and names of any opt outs, and a summary of any disputes raised by any Class
10 Members. This declaration shall be filed with the Court by Class Counsel along with a motion
11 requesting final approval of the Settlement.

12 **Sufficient Notice**

13 55. The Parties agree that compliance with the procedures described in this Agreement
14 constitutes due and sufficient notice to Class Members of this Settlement and the Final Fairness and
15 Approval Hearing, and satisfies the requirements of due process, and that nothing else shall be
16 required of Plaintiffs, Class Counsel, Defendants, Defense Counsel, or the Settlement Administrator
17 to provide notice to Class Members of the Settlement and the Final Fairness and Approval Hearing.

18 **Objections to the Settlement**

19 56. Any Participating Class Member wishing to object to this Settlement shall mail
20 (physically or electronically) a written objection to the Settlement Administrator, including the
21 employees' full name, address, telephone number, the last four digits of their social security number
22 and/or Employee ID number, and the specific reason including any legal grounds for the
23 Participating Class Members objection, no later than sixty (60) days after the mailing of the Notice
24 of Class Settlement. The postmark date will be deemed the exclusive means for determining that the
25 Notice of Objection is timely.

26 57. Any Class Member who fails to submit a timely written objection shall be foreclosed
27 from submitting a written objection as to excluded claims, but may still attend the Final Fairness
28 and Approval Hearing and make an objection at this time. At no time will any of the Parties or their

1 counsel seek to solicit or otherwise encourage Participating Class Members to object to the
2 Settlement or appeal from the Order and Judgment. Class Counsel will not represent any Class
3 Members with respect to any objections to this Settlement.

4 **Final Fairness and Approval Hearing**

5 58. On the date set forth by the Court for the Final Fairness and Approval Hearing in the
6 Order granting preliminary approval of the Settlement, a Final Fairness and Approval Hearing shall
7 be held before the Court in order to consider and determine: (i) whether the Court should give this
8 Settlement final approval; (ii) whether the Court should approve Class Counsel's application for
9 attorneys' fees and costs and any Enhancement Awards to Plaintiffs; and (iii) to hear any timely
10 written objections to the Settlement. At the Final Fairness and Approval Hearing, Plaintiffs, Class
11 Counsel, Defendants, and Defense Counsel shall ask the Court to give final approval to this
12 Settlement.

13 **Settlement Payment Procedures**

14 Payments under this Agreement shall be made by the Settlement Administrator as follows:

15 59. Participating Class Members/PAGA Members shall be paid exclusively from the Net
16 Settlement Amount.

17 60. Plaintiff and Defendant recognize and agree that the asserted claims in the Action are
18 extremely difficult to quantify with any certainty for any given year, or at all, and are subject to a
19 myriad of differing calculations and formulas. Plaintiff and Defendant agree that the formula for
20 allocating Settlement Payments to Participating Class Members provided herein is reasonable and
21 that the Settlement Payments are designed to provide a fair settlement, despite the uncertainties of
22 the amounts alleged to be owed to Participating Class Members and the calculation of them.

23 Plaintiff and Defendant have agreed that the distribution to each Participating Class Member shall
24 be determined as set forth in paragraph 61 below.

25 61. Fifty Thousand Dollars and No Cents (\$50,000.00) of the Net Settlement Amount
26 shall be allocated to the calculation of Settlement Payments to Participating Class Members from
27 the FCRA Class ("FCRA Allocation"). Fifty Thousand Dollars and No Cents (\$50,000.00) of the
28 Net Settlement Amount shall be allocated to the calculation of Settlement Payments to Participating

1 Class Members from the Wage Statement Class (“Wage Statement Allocation”). Sixty Thousand
2 Dollars and No Cents (\$60,000.00) of the Net Settlement Amount shall be allocated to the
3 calculation of Settlement Payments to Participating Class Members from the Unfair Competition
4 Law Class (“UCL Allocation”). Two Thousand Five Hundred Dollars and No Cents (\$2,500.00) of
5 the Net Settlement Amount shall be allocated to the calculation of Settlement Payments to PAGA
6 Members, which constitutes the Twenty-Five Percent (25%) portion allocated for employees from
7 the PAGA Payment (“PAGA Allocation”). The remaining balance of the Net Settlement Amount
8 shall be allocated to the calculation of Settlement Payments to Participating Class Members from
9 the UCL Class. (“Residual UCL Allocation”).

10 a. To determine the portion of individual Settlement Payments to Participating
11 Class Members from the FCRA Class, the FCRA Allocation shall be divided evenly amongst all
12 Participating Class Members from the FCRA Class.

13 b. To determine the portion of the individual Settlement Payments allocated to
14 individual PAGA Members, the Settlement Administrator will calculate the total Qualifying
15 Workweeks for all PAGA Members by adding the number of Qualifying Workweeks worked by
16 each PAGA Member during the PAGA Period. The respective Qualifying Workweeks for each
17 PAGA Member will be divided by the total Qualifying Workweeks for all PAGA Members,
18 resulting in the Payment Ratio for each PAGA Member. Each PAGA Member’s Payment Ratio
19 will then be multiplied by the PAGA Allocation to calculate each PAGA Member’s estimated share
20 of the PAGA Payment. PAGA Members shall receive this portion of their individual Settlement
21 Payment regardless of whether they opt out of the participation regarding the class claims.

22 c. To determine the portion of individual Settlement Payments allocated to
23 UCL Class Members, the Settlement Administrator will calculate the total Qualifying Workweeks
24 for all Participating UCL Class Members by adding the number of Qualifying Workweeks worked
25 by each Participating UCL Class Member during the Class Period. The respective Qualifying
26 Workweeks for each Participating UCL Class Member will be divided by the total Qualifying
27 Workweeks for all Participating UCL Class Members, resulting in the Payment Ratio for each
28 Participating UCL Class Member. Each Participating UCL Class Member’s Payment Ratio will

1 then be multiplied by the UCL Allocation to calculate each UCL Class Member's estimated share
2 of the Net Settlement Amount.

3 d. To determine the portion of individual Settlement Payments allocated to
4 Wage Statement Class Members, the Settlement Administrator will calculate the total Qualifying
5 Workweeks for all Participating Wage Statement Class Members by adding the number of
6 Qualifying Workweeks worked by each Participating Wage Statement Class Member during the
7 Class Period. The respective Qualifying Workweeks for each Participating Wage Statement Class
8 Member will be divided by the total Qualifying Workweeks for all Participating Wage Statement
9 Class Members, resulting in the Payment Ratio for each Participating Wage Statement Class
10 Member. Each Participating Wage Statement Class Member's Payment Ratio will then be
11 multiplied by the Wage Statement Allocation to calculate each Wage Statement Class Member's
12 estimated share of the Net Settlement Amount.

13 e. The combined total of the Wage Statement Allocation, FCRA Allocation,
14 PAGA Allocation, and UCL Allocation shall be the total payment under the settlement Participating
15 Class/PAGA Members are eligible to receive.

16 f. The portion of the UCL Allocation paid to each Participating UCL Class
17 Member shall be allocated fifty percent (50%) to alleged unreimbursed expenses and fifty percent
18 (50%) to alleged penalties and interest. The portion of the Wage Statement Allocation, PAGA
19 Allocation and FCRA Allocation of the Settlement Payment to each PAGA Member and
20 Participating FCRA Class Member shall be allocated one-hundred percent (100%) to alleged
21 penalties and interest, which shall not be subject to withholding.

22 62. Within twenty-one (21) days after the Effective Date, Defendants shall transmit the
23 Gross Settlement Amount to the Settlement Administrator. Within seven (7) days after the receipt
24 of these funds, the Settlement Administrator shall transmit to Class Counsel the attorneys' fees,
25 costs, and expenses approved by the Court, shall transmit to the Class Representatives their
26 Enhancement Awards approved by the Court, shall transmit to the LWDA the payment pursuant to
27 PAGA, and shall mail a Settlement Payment to each Participating Class Member and all PAGA
28 Members.

1 63. The Settlement Payments are payments for all Released Claims for the Class
2 Members. The Settlement Administrator shall be authorized to establish a Qualified Settlement
3 Fund (“QSF”) pursuant to Internal Revenue Service (“IRS”) rules and regulations in which the
4 Gross Settlement Amount shall be placed and from which payments required by the Settlement
5 shall be made. The Settlement Administrator will calculate the Settlement Payments and allocation
6 of those payments as to unpaid wages, penalties, and/or interest as set forth above. The amount of
7 each Settlement Payment to each Participating Class Member that is allocated to alleged unpaid
8 wage claims shall be paid net of all applicable employee portions of employment taxes, including
9 any federal, state, and/or local laws in issue tax withholding requirements and the employee share
10 of FICA taxes.

11 64. The Released Parties shall not be required to provide any additional form of
12 compensation to any Participating Class Member as a result of his or her receipt of a Settlement
13 Payment. Each Participating Class Member and the Class Representative shall be responsible for
14 remitting to state and/or federal taxing authorities any applicable taxes which may be owed on the
15 portion of any payment received pursuant to this Agreement, except as provided by this Agreement.

16 65. It is expressly understood and agreed that the receipt of a Settlement Payment shall
17 not entitle any Class Member to additional compensation or benefits under any company bonus,
18 contest or other compensation or benefit plan or agreement, nor shall it entitle any Class Member to
19 any increased retirement, 401(k) or matching benefits, or deferred compensation benefits. The
20 Parties agree that any Settlement Payments made to Participating Class Members under the terms of
21 this Agreement shall not represent any modification of previously credited length of service or other
22 eligibility criteria under any bonus plan, employee pension benefit plan or employee welfare plan
23 sponsored by any of the Released Parties, or to which any of the Released Parties are required to
24 make contributions. Further, any Settlement Payments made under this Agreement shall not be
25 considered compensation in any year for purposes of determining eligibility for, or benefit accrual
26 within, any employee pension benefit plan or employee welfare benefit plan sponsored by any of
27 the Released Parties or to which any of the Released Parties are required to make contributions. It
28 is the Parties’ intent that the Settlement Payments provided for in this Agreement are the sole

1 payments to be made by Defendants to the Class Members, and that the Class Members are not
2 entitled to any new or additional compensation or benefits as a result of having received the
3 Settlement Payments, notwithstanding any contrary terms in any agreement, contract, benefit or
4 compensation plan document that might have been in effect during the Class Period.

5 66. Any Settlement Payment that remains uncashed after one hundred eighty (180) days
6 of disbursement shall be void and the Court may require a second distribution. Thereafter, the
7 Settlement Administrator shall pay the funds represented by such un-redeemed checks to The Legal
8 Aid Foundation of Los Angeles pursuant to California Code of Civil Procedure section 384, subject
9 to Court approval of any *cy pres* recipient. In the event a Class Member fails to cash their
10 settlement payment, the Class Member nonetheless shall be bound by the terms of this Agreement.

11 **The Settlement Administrator**

12 67. The Settlement Administrator shall administer the Settlement, including, but not
13 limited to: (i) printing, mailing and re-mailing (if necessary) the Notices of Class Settlement, and
14 receiving Requests for Exclusion from Class Members; (ii) preparing and submitting to
15 Participating Class Members and government entities all appropriate tax filings and forms; (iii)
16 computing the amount of and distributing Settlement Payments, the Enhancement Award, and Class
17 Counsel attorneys' fees and costs; (iv) processing and validating Requests for Exclusion; (v)
18 establishing a QSF, as defined by the Internal Revenue Code; and (vi) calculating and remitting to
19 the appropriate government agencies all employee payroll tax obligations arising from the
20 Settlement and preparing and submitting filings required by law in connection with the payments
21 required by the Settlement.

22 68. Settlement administration fees in a reasonable amount shall be paid to the Settlement
23 Administrator from the Gross Settlement Amount. Settlement administration fees are not expected
24 to exceed Eight Thousand Dollars and No Cents (\$8,000.00). If the actual cost of settlement
25 administration is less than the not to exceed amount as approved by the Court, those funds shall be
26 added to the Net Settlement Amount for allocation to Class Members. All costs associated with
27 settlement administration shall come out of the Gross Settlement Amount.

28

1 69. Defendant shall provide the names, last known physical and electronic addresses,
2 social security numbers and, if applicable, Qualifying Workweeks and Employee ID numbers, for
3 Class Members (“Class Data”) to the Settlement Administrator only no later than thirty (30)
4 calendar days after the Court grants preliminary approval of the Settlement. Class Data shall only
5 be used by the Settlement Administrator for the purpose of calculating Settlement Payments and
6 notifying Class Members of the Settlement. Class Data shall not be disclosed to Class Counsel, the
7 Class Representatives, or any other Class Members without the written consent of Defendant or by
8 order of the Court, except that the Settlement Administrator shall provide Class Counsel (1) a
9 unique numeric identifier, to be generated by the settlement administrator; (2) employment start
10 date; (3) termination or end date used in calculation; and (4) workweeks as calculated by settlement
11 administrator for the UCL Class for the purpose of verifying settlement payments. The Settlement
12 Administrator shall not disclose the Class Data to third parties, shall keep the Class Data
13 confidential to the fullest extent possible, and shall be responsible for following all privacy laws
14 and taking appropriate steps to ensure that Class Members’ personal information is safeguarded and
15 protected from improper disclosure or use. The Settlement Administrator shall run the Class Data
16 list through the National Change of Address database, and shall use the most recent address for each
17 Class Member – either from Defendants’ records or the National Change of Address database –
18 before mailing the Notice of Class Settlement. The Settlement Administrator shall also take
19 reasonable steps to locate any Class Member whose Notice of Class Settlement is thereafter
20 returned as undeliverable. Class Data shall be provided in a secure format to be determined by the
21 Settlement Administrator and Defendants. The Settlement Administrator shall establish a toll-free
22 telephone number to receive calls from Class Members.

23 **Resolution of Disputes Over Qualifying Workweeks or**
24 **Settlement Payment Calculations**

25 70. In calculating Settlement Payments for each Class Member, Defendant’s records
26 regarding Qualifying Workweeks of Class Members shall be presumed to be correct. Any Class
27 Member who disagrees with Defendant’s determination of his or her Qualifying Workweeks as
28 indicated on his or her Notice of Class Settlement may dispute that calculation to the Settlement

1 Administrator as explained on the Notice of Class Settlement. Defendant's determination shall be
2 presumed accurate unless clear and compelling documentary evidence is provided by the Class
3 Member to the Settlement Administrator that establishes that a mistake was made by Defendant.
4 The Settlement Administrator shall investigate the dispute, requesting information from Defendant
5 as necessary. If a Class Member produces evidence to the contrary by the Response Deadline, the
6 Parties will evaluate the evidence submitted by the Class Member and the Settlement Administrator
7 will make the final decision as to the number of eligible Workweeks that should be applied and/or
8 the Individual Settlement Payment to which the Class Member may be entitled.

9 71. All such challenges must be received within the 60-day Response Deadline. In no
10 case shall a dispute result in a payment by Defendants in excess of the Gross Settlement Amount.

11 **Enhancement Award**

12 72. From the Gross Settlement Amount, the Class Representative may seek approval
13 from the Court of Enhancement Awards not to exceed Five Thousand Dollars and No Cents
14 (\$5,000.00) for each Class Representative, which Defendant shall not oppose.

15 **Payment of Class Counsel Attorneys' Fees and Costs**

16
17 73. Class Counsel shall apply to the Court at the Final Fairness and Approval Hearing
18 for an award of attorneys' fees not to exceed the amount of One Hundred Thousand Dollars and No
19 Cents (\$100,000.00), which is Thirty-Three Percent (33%) of the Gross Settlement Amount, and a
20 reasonable award of litigation costs in an amount not to exceed Twelve Thousand Dollars and No
21 Cents (\$12,000.00), both of which shall be paid out of the Gross Settlement Amount and neither of
22 which Defendant will oppose. Class Counsel and Defendant agrees that such awards of attorneys'
23 fees and costs are reasonable under the circumstances. Any order relating to the award of attorneys'
24 fees, costs or the Class Representative Enhancement Award, or any appeal from any order relating
25 thereto or reversal or modification thereof, will not operate to terminate or cancel this Agreement.
26 If the amount of Enhancement Award, attorneys' fees and/or costs awarded by the Court is less than
27 the requested amounts, the difference shall serve to increase the Net Settlement Amount to be
28 distributed to Participating UCL Class Members as part of their Settlement Payments. Nothing in

1 this Agreement will require Defendants to pay more than the Gross Settlement Amount under any
2 circumstances, except that Defendants are responsible for paying the employer's share of any
3 payroll taxes owed on the Settlement Payments.

4 **Taxes and Withholding and Indemnification**

5 74. The Settlement Administrator shall be responsible for ensuring that all tax
6 obligations associated with the Settlement are timely paid to the appropriate governmental taxing
7 authorities. The Settlement Administrator's responsibilities include the following:

- 8 (i) filing all federal, state and local employment tax returns, income tax returns,
9 and any other tax returns associated with the taxes,
- 10 (ii) timely and proper filing of all required federal, state and local information
11 returns (*e.g.*, 1099s, W-2s, etc.), and
- 12 (iii) completion of any other steps necessary for compliance with any tax
13 obligations applicable to Settlement Payments under federal, state and/or
14 local law.

15 75. The Settlement Administrator shall determine the amount of any tax withholding to
16 be deducted from each Participating Class Member's Settlement Payments. All such tax
17 withholdings shall be remitted by the Settlement Administrator to the proper governmental taxing
18 authorities.

19 76. The Parties and Participating Class Members acknowledge and agree that:

- 20 (i) No provision of this Agreement and no written communication or disclosure
21 between or among the Parties or their attorneys and other advisers is or was
22 intended to be, nor shall any such communication or disclosure constitute or
23 be construed or be relied upon as, tax advice within the meaning of United
24 State Treasury Department Circular 230 (31 CFR Part 10, as amended);
- 25 (ii) Each Party and Participating Class Member (a) has relied exclusively upon
26 their own, independent legal and tax advisers for advice (including tax
27 advice) in connection with this Agreement, (b) has not entered into this
28 Agreement based upon the recommendation of any other party or any

1 attorney or advisor to any other party, and (c) is not entitled to rely upon any
2 communication or disclosure by any attorney or adviser to any other party to
3 avoid any tax penalty that may be imposed on him or her; and

4 (iii) No attorney or adviser to any other party has imposed any limitation that
5 protects the confidentiality of any such attorney's or adviser's tax strategies
6 (regardless of whether such limitation is legally binding) upon disclosure by
7 him or her of the tax treatment or tax structure of any transaction, including
8 any transaction contemplated by this Agreement.

9 77. The Settlement Payments received by Participating Class Members/PAGA Members
10 shall be reported by the Settlement Administrator, as required, to the state and federal taxing
11 authorities on IRS forms 1099 and W-2 or similar forms. Each Participating Class Member shall be
12 responsible for paying all applicable state, local, and federal income taxes on all amounts the
13 Participating Class Member receives pursuant to this Agreement. Each Participating Class Member
14 is advised to obtain independent tax advice in connection with this Agreement.

15 **RELEASED CLAIMS**

16 78. Upon the funding of the Gross Settlement Amount, all members of the FCRA Class
17 who do not timely opt-out shall individually and on behalf of all their respective successors,
18 assigns, agents, attorneys, executors, heirs and personal representatives, fully and finally release and
19 discharge the Released Parties, and each of them, from the "Released FCRA Claims" defined as: all
20 claims that were or could have been alleged in the Complaints and/or Amended Complaints filed in
21 the Actions under any state law, federal law, common law, equity or other theory arising in any way
22 from the requesting, procuring, providing, or relying upon background checks or consumer reports,
23 including without limitation those arising from disclosure, accuracy, clarity, lack of disclosure,
24 accuracy, or clarity, of information contain in, provided to, or otherwise furnished to FCRA class
25 members during the FCRA Class Period. The Released FCRA Claims include all claims, rights,
26 demands, liabilities, causes of action, and theories of liability of every nature and description,
27 whether known or unknown, that were alleged against Defendants and/or any of the Released
28 Parties, or which could have been alleged based on the facts pled against them based on the

1 Complaints and/or Amended Complaints in the Actions, including, but are not limited to, claims for
2 penalties (regardless of the recipients), failure to provide any and/or proper credit disclosures in
3 violation of the Fair Credit Reporting Act, damages, interest, costs or attorneys' fees, and violations
4 of any local, state or federal law, whether for economic damages, non-economic damages,
5 liquidated, or punitive damages, restitution, tort, contract, equitable relief, injunctive or declaratory
6 relief, that relate to all such claims accrued during the applicable FCRA Class Period and arising
7 from the facts that were alleged or could have been alleged in the Complaints and/or Amended
8 Complaints in the Actions, including, but not limited to, claims under any common laws, contract,
9 the Fair Credit Reporting Act, the California Consumer Credit Reporting Agencies Act, or any
10 other federal, state, or local law governing the procurement or use of background/credit checks,
11 including laws regarding background check disclosures and authorizations.

12 79. Upon the funding of the Gross Settlement Amount, all members of the UCL Class
13 who do not timely opt-out shall individually and on behalf of all their respective successors,
14 assigns, agents, attorneys, executors, heirs and personal representatives, fully and finally release and
15 discharge the Released Parties, and each of them, from the "Released UCL Claims" defined as: all
16 claims that were or could have been alleged in the PAGA Letter, Complaint and/or Amended
17 Complaints filed in the Actions under any state law, federal law, common law, equity or other
18 theory arising in any way from the alleged for failure to reimburse necessary business expenses,
19 during the Class Period. The Released UCL Claims include all claims, rights, demands, liabilities,
20 causes of action, and theories of liability of every nature and description, whether known or
21 unknown, that were alleged against Defendant and/or any of the Released Parties, or which could
22 have been alleged based on the facts pled against them based within the PAGA Letters or the
23 Complaint and/or Amended Complaints in the Actions, including, but are not limited to failure to
24 reimburse necessary business expenses, damages, interest, costs or attorneys' fees, and violations of
25 any local, state or federal law, whether for economic damages, non-economic damages, liquidated,
26 or punitive damages, restitution, tort, contract, equitable relief, injunctive or declaratory relief, that
27 relate to all such claims accrued during the applicable UCL Class Period and arising from the facts
28 that were alleged or could have been alleged in the PAGA Letters or the Complaints and/or

1 Amended Complaints in the Actions based on the facts alleged therein, including, but not limited to
2 the California Business & Professions Code Section 17200, *et seq.* (“UCL”), including, but not
3 limited to, claims asserted under the UCL predicated on violations of any state and/or federal law,
4 including Cal. Code of Regulations, Title 8, Sections 11000, *et seq.*, Wage Order 4 or any other
5 applicable Wage Order, the California Labor Code, and the California Private Attorneys General
6 Act of 2004, Labor Code Section 2698, *et seq.*, based on the claims alleged or that could have been
7 alleged in the PAGA Letters or the Complaints and/or Amended Complaints in the Actions based
8 on the facts alleged therein. Notwithstanding the foregoing, the Released Claims do not include any
9 individual claims under Section 16(b) of the FLSA, 29 U.S.C. § 216(b), as to a UCL Class Member
10 who does not opt-in to the Settlement by cashing, depositing, or endorsing his or her Settlement
11 Payment check, to the extent that opting-in is required to release such FLSA claims.

12 80. Upon the funding of the Gross Settlement Amount, all members of the Wage
13 Statement Class who do not timely opt-out shall individually and on behalf of all their respective
14 successors, assigns, agents, attorneys, executors, heirs and personal representatives, fully and finally
15 release and discharge the Released Parties, and each of them, from the “Released Wage Statement
16 Claims” defined as: all claims that were or could have been alleged in the PAGA Letter, Complaint
17 and/or Amended Complaints based on the facts alleged therein filed in the Actions under any state
18 law, federal law, common law, equity or other theory arising in any way from the alleged for failure
19 to provide and/or maintain copies of accurate itemized wage statements, failure to maintain records
20 of hours worked and/or accurate payroll records, and/or for penalties (regardless of the recipient)
21 during the Class Period. The Released Wage Statement Claims include all claims, rights, demands,
22 liabilities, causes of action, and theories of liability of every nature and description, whether known
23 or unknown, that were alleged against Defendant and/or any of the Released Parties, or which could
24 have been alleged based on the facts pled against them in the PAGA Letters or the Complaint
25 and/or Amended Complaints in the Actions, including, but are not limited to, claims for failure to
26 provide and/or maintain copies of accurate itemized wage statements, failure to maintain records of
27 hours worked and/or accurate payroll records, and/or for penalties (regardless of the recipients),
28 costs or attorneys’ fees, and violations of any local, state or federal law, whether for economic

1 damages, non-economic damages, liquidated, or punitive damages, restitution, tort, contract,
2 equitable relief, injunctive or declaratory relief, that relate to all such claims accrued during the
3 applicable Wage Statement Class Period and arising from the facts that were alleged or could have
4 been alleged in the PAGA Letter and/or the Complaints and/or Amended Complaints in the
5 Actions, including, but not limited to, claims under any common laws, contract, the California
6 Business & Professions Code Section 17200, *et seq.* (“UCL”), including, but not limited to, claims
7 asserted under the UCL predicated on violations of any state and/or federal law, including the
8 FLSA, Cal. Code of Regulations, Title 8, Sections 11000, *et seq.*, Wage Order 4 or any other
9 applicable Wage Order, the California Labor Code, and the California Private Attorneys General
10 Act of 2004, Labor Code Section 2698, *et seq.*, based on the claims alleged or that could have been
11 alleged in the PAGA Letters or the Complaints and/or Amended Complaints in the Actions.
12 Notwithstanding the foregoing, the Released Claims does not include any individual claims under
13 Section 16(b) of the FLSA, 29 U.S.C. § 216(b), as to a Wage Statement Class Member who does
14 not opt-in to the Settlement by cashing, depositing, or endorsing his or her Settlement Payment
15 check, to the extent that opting-in is required to release such FLSA claims.

16 **Releases by Plaintiff Dharni**

17 81. Upon funding of the Gross Settlement Amount, Plaintiff Dharni, for herself, and her
18 successors, assigns, agents, executors, heirs and personal representatives, spouse and attorneys, and
19 any and all of them, voluntarily and with the advice of counsel, waive and release any and all
20 claims, obligations, demands, actions, rights, causes of action, and liabilities against Defendant and
21 any of the Released Parties, including, without limitations, all claims that were or could have been
22 alleged in the PAGA Letters and the Complaints and/or Amended Complaints in the Actions under
23 any state law, federal law, common law, equity or other theory arising in any way out of their
24 former employment with Defendant or any of the Released Parties. As part of these releases,
25 Plaintiff further releases all unknown claims against Defendant and Released Parties, covered by
26 the California Civil Code Section 1542, which states: “**A general release does not extend to**
27 **claims that the creditor or releasing party does not know or suspect to exist in his or her favor**
28 **at the time of executing the release and that, if known by him or her, would have materially**

1 **affected his or her settlement with the debtor or released party.”** Plaintiff understands that she
2 is a “creditor” or “releasing party” within the meaning of California Civil Code Section 1542, and
3 thereby expressly waives and relinquishes any and all rights and benefits under Section 1542 of the
4 Civil Code of the State of California and under any statute, rule, or principle of common law or
5 equity, of any jurisdiction, that is similar to Section 1542.

6 **LIMITATIONS ON USE OF THIS SETTLEMENT AND AGREEMENT**

7 **No Admission**

8 82. Neither the acceptance nor the performance by Defendant of the terms of this
9 Agreement nor any of the related negotiations or proceedings are or shall be claimed to be,
10 construed as, or deemed a precedent or an admission by Defendant of the truth of any allegations in
11 the Complaints, Amended Complaints, or the PAGA Letters. Defendant expressly deny any
12 wrongdoing or liability to Plaintiff, any members of the FCRA or UCL Classes, or any of their
13 other current and former employees.

14 **Non-Evidentiary Use**

15 83. Defendant denies that they have failed to comply with any law in any respect, or
16 have any liability to anyone based on the claims asserted in the Actions. Defendant expressly
17 denies any wrongdoing or liability to Plaintiff, any of the Class Members, or any of its other current
18 or former employers, and further deny that the Actions are appropriate for class certification.
19 Plaintiff expressly acknowledges that this Agreement is entered into for the purpose of
20 compromising highly disputed claims and that nothing herein is an admission of liability,
21 wrongdoing, or the propriety of class or representative treatment by Defendant. Neither the
22 Agreement nor any document prepared in connection with the Settlement may be admitted in any
23 proceeding as an admission by Defendant. Notwithstanding this paragraph, any and all provisions
24 of this Agreement may be admitted in evidence and used in any proceeding to enforce the terms of
25 this Agreement, or in defense of any claims released or barred by this Agreement.

1 **Nullification**

2 84. If the Court for any reason does not approve this Settlement, this Agreement shall be
3 considered null and void and the Parties to this Agreement shall stand in the same position, without
4 prejudice, as if the Agreement had been neither entered into nor filed with the Court.

5 85. Invalidation of any material portion of this Agreement shall invalidate this
6 Agreement in its entirety unless the Parties agree in writing that the remaining provisions shall
7 remain in full force and effect.

8 **MISCELLANEOUS PROVISIONS**

9 **No Inducements**

10 86. Plaintiff and Defendant acknowledge that they are entering into this Settlement as a
11 free and voluntary act without duress or undue pressure or influence of any kind or nature
12 whatsoever, and that neither Plaintiff nor Defendant have relied on any promises, representations,
13 or warranties regarding the subject matter hereof other than as set forth in this Agreement.

14 **No Prior Assignment**

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

19 **Construction**

20 88. The Parties agree that the terms and conditions of this Agreement are the result of
21 lengthy, intensive arm’s-length negotiations between the Parties and their counsel, and this
22 Agreement shall not be construed in favor of or against any Party by reason of the extent to which
23 any Party or its counsel participated in the drafting of this Agreement.

24 **California Law**

25 89. All terms of this Agreement and its exhibits shall be governed and interpreted by and
26 according to the laws of the State of California, without giving effect to any conflict of law
27 principles or choice of law principles.

28 **Captions and Interpretations**

1 90. Paragraph titles or captions contained herein are inserted as a matter of convenience
2 and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or
3 any provision hereof.
4

5 **Incorporation of Exhibits**

6 91. All exhibits to this Agreement are incorporated by reference and are a material part
7 of this Agreement. Any notice, order, judgment, or other exhibit that requires approval of the Court
8 must be approved without material alteration from its current form in order for this Agreement to be
9 enforceable.

10 **Modification**

11 92. This Agreement may not be changed, altered, or modified, except in a writing signed
12 by the Parties or their representatives, and approved by the Court. This Agreement may not be
13 discharged except by performance in accordance with its terms or by a writing signed by the
14 Parties.

15 **Reasonableness of Settlement**

16 93. Plaintiff have represented that this is a fair, reasonable, and adequate settlement and
17 has arrived at this settlement through arm's-length negotiations, taking into account all relevant
18 factors, present and potential.

19 **Integration Clause**

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

25 **Binding On Assigns**

26 95. This Agreement shall be binding upon and inure to the benefit of the Parties and
27 their respective heirs, trustees, executors, administrators, successors and assigns.

28 **No Prevailing Party**

1 Settlement due to the number of individuals who have opted out of the Settlement, pursuant to the
2 opt-out procedure set out in paragraph 52, Defendant shall bear all costs of settlement
3 administration incurred to date.

4 **Final Order and Judgment**

5 101. Upon final approval of the Settlement, a Final Order and Judgment shall be entered
6 by the Court which shall, among other things:

- 7 (i) Grant final approval to the Settlement as fair, reasonable, adequate, in good
8 faith and in the best interests of the Class as a whole, and order the Parties to
9 carry out the provisions of this Agreement.
- 10 (ii) Adjudge that the Participating Class Members and those Class Members who
11 have failed to Opt Out of the settlement are conclusively deemed to have
12 released Defendants and the Released Parties from the Released Claims, as
13 more specifically set forth above.
- 14 (iii) Prohibit and permanently enjoin each Class Member from pursuing in any
15 fashion or forum against Defendant or the other Released Parties any and all
16 of the Released Claims.
- 17 (iv) Enter judgment in the Action.
- 18 (v) Reserve continuing jurisdiction as provided herein.

19 **Limitations on Disclosure**

20 102. The Parties and their counsel agree that they will not issue any press releases, initiate
21 any contact with the press, respond to any press inquiry, or have any communication with the press
22 about this case and/or the fact, amount or terms of the Settlement. As an absolute condition of this
23 Agreement, Plaintiff, and Class Counsel will not post (or cause to be posted) anything on their firm
24 websites, biographies, or marketing materials disclosing the facts, the amount and terms of
25 settlement, the fact of settlement, or this Agreement. Plaintiff and Class Counsel will also not
26 publicize or post anything regarding the amount and terms of the settlement except in relevant
27 submissions to a court or other judicial panel. Nothing in this Agreement is intended to prohibit
28 Defendant or its affiliates, subsidiaries, or related entities from reporting the terms of this

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Dated: 9/28/2022

DocuSigned by:
Justine K. Dharni
4EC17363AFD443B...

JUSTINE DHARNI

Dated: _____

DEFENDANT DENTSU MCGARRY BOWEN
L.L.C.

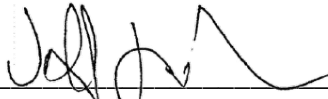
By _____

Its Authorized Agent

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FINKELSTEIN & KRINSK LLP

By  _____

Jeffrey P. Jackson
Jeffrey R. Krinsk

Attorneys for Plaintiff
JUSTINE DHARNI

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DEFENDANT DENTSU MCGARRY BOWEN
L.L.C.

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