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16 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
17 **FOR THE COUNTY OF LOS ANGELES**

18 DAVID CONTRERAS on behalf of himself, and
all others similarly situated,
19
20 Plaintiff,
21
22 vs.
23 HTX SERVICES LLC, a Delaware limited
liability company; HTX HOLDINGS LLC, a
Delaware limited liability company; and DOES 1
through 50, inclusive,
24 Defendant.

Case No. 19STCV43405
*[Assigned for all purposes to The Honorable
Amy D. Hogue, Dept. SSC-7]*
**SECOND AMENDED JOINT
STIPULATION OF CLASS ACTION
SETTLEMENT**
Action Filed: December 4, 2019
Trial Date: None set

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1 This Joint Stipulation of Class Action Settlement (“Joint Stipulation”) is made between
2 Plaintiff David Contreras, in his individual capacity, as class representative, and as a private
3 attorney general and Defendants HTx Services LLC and HTx Holdings LLC (collectively, “the
4 Parties”). Subject to the Court’s approval, the above-referenced action is being compromised and
5 settled under the terms set forth below. This Joint Stipulation binds Plaintiff and the class purported
6 to be represented and Defendants, subject to the terms set forth below.

7 **I. DEFINITIONS**

8 To the extent any terms or phrases used in this Joint Stipulation are not specifically defined
9 in this section (i.e., Section I), but are defined elsewhere in this Joint Stipulation, they are
10 incorporated herein by reference.

11 “Action” means the above-entitled class action pending in the Superior Court of the State
12 of California, County of Los Angeles.

13 “Class” or “Class Members” means all current and former non-exempt, hourly-paid
14 delivery service and field service employees of Defendants in California during the Class Period.

15 “Class Member” means a single, non-exempt employee who worked for Defendants in California
16 during the Class Period.

17 “Class Counsel” means The Spivak Law Firm and United Employees Law Group.

18 “Class Member Exclusion Deadline” means the date of 60 days after the date the Notice
19 Packet is mailed.

20 “Class Period” means the time from December 4, 2015 through December 31, 2020.

21 “Complaint” means the Third Amended Complaint, which is the operative complaint filed
22 in the Action.

23 “Defendants” means HTx Services LLC and HTx Holdings LLC.

24 “Effective Date” means the date by which the Court’s order granting Final Approval of this
25 Joint Stipulation becomes final. Such order becomes final upon these events: (i) upon the Court
26 issuing an order granting Final Approval of this Joint Stipulation if no objections to the settlement
27 are filed, or if an objection is filed but is withdrawn prior to the Court’s Final Approval Hearing;
28 or (ii) if there are written objections filed prior to the final approval hearing not thereafter

1 withdrawn prior to the hearing, the later of these events: (a) the day after the last day by which a
2 notice of appeal of the order may be timely filed with the California Court of Appeal, and none is
3 filed; (b) if an appeal is filed and is finally disposed of by ruling, dismissal, denial, or otherwise,
4 the day after the last date for filing a request for further review of the Court of Appeal’s decision
5 passes and no further review is requested; (c) if an appeal is filed and there is a final disposition by
6 ruling, dismissal, denial, or otherwise by the Court of Appeal, and further review of the Court of
7 Appeal’s decision is requested, the day after the request for review is denied with prejudice and/or
8 no further review of the order can be requested; or (d) if review is accepted, the day the California
9 Supreme Court affirms the Settlement.

10 “Eligible Workweeks” are defined as any week in which a Class Member worked at least
11 one (1) day in California as a Class Member for Defendants during the Class Period.

12 “Final Approval” means the date upon which the Court enters an order granting approval
13 of this Joint Stipulation, after having determined the Settlement is fair, adequate, and reasonable
14 to the Class following notice to the Class and a hearing on the fairness of the Settlement.

15 “Final Approval Hearing” means the final hearing held to ascertain the fairness,
16 reasonableness, and adequacy of the Joint Stipulation, after which the Court will enter its order
17 approving the Joint Stipulation finally.

18 “Notice Packet” collectively means the Notice of Class Action Settlement in substantially
19 the same form as the attached **Exhibit 1** and the Workweek Dispute Form in substantially the same
20 form as attached **Exhibit 2** (collectively, the “Notice Packet”), which are to be handled by the
21 Settlement Administrator.

22 “Opt-Out” means all persons who timely and validly request exclusion from the Class.

23 “PAGA Members” means all current and former non-exempt, hourly-paid delivery service
24 and field service employees of Defendants in California during the PAGA Period. “PAGA
25 Member” means a single, non-exempt employee who worked for Defendants in California during
26 the PAGA Period.

27 “PAGA Period” means the time from December 4, 2018 through December 31, 2020.

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1 “Parties” means Plaintiff and Defendant.

2 “Plaintiff” means David Contreras, in his individual capacity, as Class representative and
3 as a private attorney general.

4 “Preliminary Approval” means the date upon which the Court enters an order granting
5 preliminary approval of this Joint Stipulation.

6 “Preliminary Approval Hearing” means the hearing held on the Motion for Preliminary
7 Approval of the Joint Stipulation.

8 “Released Class Claims” means all claims for wages, including but not limited to failure to
9 pay all wages earned for all hours worked including minimum wages and overtime wages, failure
10 to provide accurate written wage statements, waiting time penalties, unfair competition violations,
11 failure to pay for all hours worked at the correct rates of pay, failure to timely pay wages, failure
12 to timely pay wages upon termination, failure to maintain accurate employment records, failure to
13 pay overtime, failure to provide meal periods, meal period violations and claims for meal period
14 premium pay, failure to provide rest periods, rest period violations and claims for rest period
15 premium pay, failure to reimburse necessary business expenses, damages, unpaid costs, penalties,
16 premium pay, liquidated damages, interest, attorney fees, litigation costs, restitution, or equitable
17 relief, which Plaintiff, the Class and any Class Members had, or may claim to have, against the
18 Released Parties, that were alleged or could have been alleged in the Complaint during the Class
19 Period, including but not limited to all claims under PAGA and Labor Code sections 201, 202, 203,
20 204, 204.1, 204.2, 210, 226, 226(a), 226(e), 510, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198,
21 2699, 2699(a), 2699(f), 2699(g), 2699.3, 2802, Industrial Welfare Commission Order No. 4-2001
22 and other applicable Wage Orders, Business and Professions Code sections 17200 *et seq.* and
23 17203, Code of Civil Procedure section 1021.5, and all claims for violation of PAGA and all related
24 claims for penalties, to the extent such claims are predicated on the other claims released herein,
25 during the Class Period. The Released Class Claims for each Class Member shall become effective
26 once the Settlement Administrator has sent the individual settlement payment from the Gross
27 Settlement Amount to that Class Member who has not timely submitted his/her Opt-Out.

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1 “Released PAGA Claims” means all representative PAGA claims for wages, including but
2 not limited to, failure to pay all wages earned for all hours worked including minimum wages and
3 overtime wages, failure to provide accurate written wage statements, waiting time penalties, unfair
4 competition violations, failure to pay for all hours worked at the correct rates of pay, failure to
5 timely pay wages, failure to timely pay wages upon termination, failure to maintain accurate
6 employment records, failure to pay overtime, failure to provide meal periods, meal period
7 violations and claims for meal period premium pay, failure to provide rest periods, rest period
8 violations and claims for rest period premium pay, failure to reimburse necessary business
9 expenses, damages, unpaid costs, penalties, premium pay, liquidated damages, interest, attorney
10 fees, litigation costs, restitution, or equitable relief, which Plaintiff, the Class and any Class
11 Members had, or may claim to have, against the Released Parties, that were alleged or could have
12 been alleged in the Complaint during the PAGA Period. Released PAGA Claims include claims
13 for violations of California Labor Code sections 201, 202, 203, 204, 204.1, 204.2, 210, 226, 226(a),
14 226(e), 510, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2699, 2699(a), 2699(f), 2699(g), 2699.3,
15 and 2802 during the PAGA Period. The Released PAGA Claims include the right to bring a future
16 PAGA action based on the facts and alleged in the Third Amended Complaint, but do not include
17 the release of a PAGA Member’s individual Labor Code claims against Defendants. The Released
18 PAGA Claims for each Class Member shall become effective once the Settlement Administrator
19 has sent the individual settlement payment from the Gross Settlement Amount to that Class
20 Member who has not timely submitted his/her Opt-Out.

21 “Released Parties” means HTx Services LLC, HTx Holdings LLC, and all of their past and
22 present owners, officers, directors, shareholders, employees, agents, assigns, attorneys, insurers,
23 parent companies, subsidiaries, and affiliates, and their respective predecessors, successors, and
24 assigns, without limitation.

25 “Settlement” as used herein means this Joint Stipulation to resolve the Action.

26 “Settlement Administrator” means CPT Group, Inc.

27 “Settlement Administrator’s Fees” means all fees, costs, and expenses relating to the
28 administration of the Settlement in this Action, including without limitation, printing and mailing

1 Class Notice Forms, posting and maintaining a website for submissions, receiving and processing
2 Opt-Out Forms, calculating and determining payments and percentages, responding to inquiries,
3 communicating disputes raised by Class Members and/or PAGA Members, regularly updating
4 counsel on the status of administration, costs for websites (if any), text messages, and online
5 submissions, and the accounting and maintenance of the Settlement Fund Account.

6 “Settlement Fund Account” means the bank account established under this Joint Stipulation
7 from which all monies payable under this Joint Stipulation shall be paid, as set forth herein.

8 “Gross Settlement Amount” means the \$195,000 Defendants will pay in the aggregate to
9 resolve this Action, on a non-reversionary basis. The Gross Settlement Amount is all-inclusive.
10 Defendants will fund the Gross Settlement Amount within seven (7) business days after the
11 Effective Date.

12 These costs will be allocated from the Gross Settlement Amount: (1) attorney fees and costs
13 (Defendants will not oppose Class Counsel’s request for attorney fees amounting to approximately
14 33 1/3% of the Gross Settlement Amount, or \$65,000, and reasonable costs not to exceed \$15,000);
15 (2) claims administration fees (approximately \$4,000); (3) enhancement award to Plaintiff, as Class
16 representative, for up to \$15,000; and (4) \$5,000 for penalties under California Labor Code §§
17 2699 et seq. (“PAGA”) (75% or \$3,750 will go to the California Labor & Workforce Development
18 Agency (“LWDA”) and 25% or \$1,250 will go to Class Members). Any deductions from the above
19 allocations will be deposited into the Settlement Fund Account and will be included in the Net
20 Settlement Amount for distribution to the Class. Defendants will be responsible for paying their
21 share of the payroll taxes and this amount will not be deducted from the Gross or Net Settlement
22 Amount.

23 The “Net Settlement Amount” will equal the net amount available for payment of claims
24 to Class Members after deducting the above-referenced costs from the Gross Settlement Amount.
25 For example, if the Court approves \$65,000 in attorney fees, \$15,000 in costs, \$4,000 in claims
26 administration fees, \$15,000 in Plaintiff’s incentive award, and \$3,750 to the LWDA for PAGA
27 penalties, the Net Settlement Amount will be \$92,250 ($\$195,000 - [\$65,000 + \$15,000 + \$4,000 +$
28 $\$15,000 + \$3,750] = \$92,250$). If the Court approves a lesser amount of the above-referenced costs,

1 the Net Settlement Amount will increase proportionately. Any reductions from the above-
2 referenced costs will increase the Net Settlement Amount – also referred to herein as the “Payout
3 Fund.”

4 **II. PRE-TRIAL PROCEEDINGS AND NEGOTIATIONS**

5 A. Discovery, Investigation, and Research

6 The Parties investigated facts and law throughout the Action. Plaintiff’s investigation
7 commenced prior to filing the Action. Investigation during the pendency of the Action included
8 the exchange of information through informal discovery. Plaintiff further submitted requests for
9 personnel file and payroll records for certain Class Members prior to mediation. Investigation also
10 included research and briefing regarding the claims at issue. It also included preparing for and
11 attending mediation with experienced wage-and-hour class action mediator, Steve Pearl. The
12 Parties also investigated relevant law as applied to the facts, potential defenses, and damages
13 claimed by Plaintiff on behalf of himself and the Class. Discovery largely focused on Plaintiff’s
14 allegations that Class Members were not paid all wages owed; not reimbursed for all expenses;
15 were not provided with lawful meal and rest breaks under California law; received improper or
16 inaccurate wage statements, and were not timely paid all owed and due wages. Discovery included
17 Class Members’ time payroll records, and all relevant policies. The Parties conducted their own
18 evaluations of the potential recoveries based on the claims alleged in the Action.

19 B. Allegations of the Class Representative and Benefits of Settlement

20 This Joint Stipulation was reached after arm’s length bargaining by the Parties assisted by
21 an experienced and highly-qualified mediator, and after Class Counsel reviewed all available
22 evidence. The information exchanged between the Parties allowed them to assess the merits of the
23 claims and defenses, and to reach a compromise of the issues.

24 Plaintiff and Class Counsel contend the claims asserted in the Action have merit. But they
25 also acknowledge the expense and delay of continued litigation. Class Counsel considered the
26 uncertain outcome and risk of litigation, and the difficulties and delays inherent in such litigation.
27 Class Counsel also considered the potential difficulty maintaining the Action as a class action and
28 the likelihood of appeals.

1 Class counsel determined this Joint Stipulation confers substantial benefit to Plaintiff and
2 the Class and submits that an independent review by the Court will confirm this conclusion. Class
3 Counsel determined this Joint Stipulation is in the best interests of the Plaintiff, Class Members,
4 and PAGA Members.

5 C. Defendants' Denials of Wrongdoing and Benefits of Settlement

6 Defendants deny all claims alleged in the Action and further deny class treatment is
7 appropriate for any purpose other than the Settlement. Defendants contend they complied with all
8 applicable laws. It is Defendants' position if litigation continued, class certification would not be
9 granted, or if it were, that it would be reversed. Defendants contend that Plaintiff is not an adequate
10 class representative, his claims are not typical of the Class Members and/or the PAGA Members,
11 and individual issues predominate over common ones. But Defendants concluded further litigation
12 would be protracted and expensive. Thus, Defendants determined it is desirable that the Action be
13 fully and finally settled in the manner and upon the terms herein.

14 D. Intent of the Settlement

15 This Joint Stipulation intends to achieve: (1) entry of an order approving the Joint
16 Stipulation, conditionally certifying the Class, and granting the monetary relief set forth herein; (2)
17 entry of judgment on Plaintiff's alleged claims; and (3) discharge of Released Parties from liability
18 for all Released Class Claims.

19 **III. PROCEDURAL ISSUES**

20 A. Amended Complaint

21 Plaintiff has filed a Third Amended Complaint ("3AC") to conform the pleadings within
22 the scope of the Settlement and Released Class Claims. The 3AC includes allegations of unpaid
23 wages, overtime and derivative penalties due to the alleged unpaid employee time; unpaid wages,
24 overtime and derivative penalties due to off-the-clock work; unreimbursed expenses; statutory pay
25 stub penalties; claims for waiting time penalties, meal period violations, and rest period violations.
26 Defendants are not required to file an answer or other responsive pleading to the 3AC.

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1 If the Court does not grant final approval of the Settlement, or if the Settlement does not
2 become final and effective for any reason, then the 3AC will be deemed withdrawn. Defendants
3 do not impliedly or expressly waive any arguments or defenses to the 3AC.

4 B. Preliminary Approval

5 Class Counsel will submit this Joint Stipulation to the Court with a Motion for Preliminary
6 Approval of Class Action Settlement. Defendants will not oppose it.

7 C. Settlement Administrator

8 The Settlement Administrator will handle: (1) preparing, printing, and mailing
9 simultaneously the Notice of Class Action Settlement in substantially the same form as the attached
10 **Exhibit 1** and the Workweek Dispute Form in substantially the same form as attached **Exhibit 2**
11 (collectively, the Notice Packet); (2) receiving and reviewing any Opt-Outs as to the Class; (3)
12 calculating payments under the Settlement; (4) handling inquiries from Class Members about the
13 Notice Packet; (5) sending out cure forms as necessary; (6) resolving workweek disputes; (7)
14 providing weekly status reports to Defendants' counsel and Class Counsel regarding the mailings,
15 Opt-Outs, and settlement payments; (8) distributing settlement payments to Class Members, PAGA
16 Members, and payment to other parties under the terms of this Joint Stipulation; (9) providing due
17 diligence declarations for submission to the Court, as needed; (10) printing and providing Class
18 Members and Plaintiff with tax forms as required under this Joint Stipulation and applicable law,
19 and providing copies of the same to Defendants; and (11) such other tasks as the Parties mutually
20 agree or the Court orders the Settlement Administrator to perform.

21 The Settlement Administrator will skip trace and re-mail all returned, undeliverable mail
22 within seven days of receiving notice that the mailing was undeliverable. The Settlement
23 Administrator will also handle payments to Plaintiff for his incentive payment, payment of Class
24 Counsel's attorney fees and costs as approved by the Court, and payment of PAGA penalties to the
25 LWDA. The Settlement Administrator will also handle the distribution of any remaining amounts
26 from uncashed checks in accordance with California Code of Civil Procedure § 384(b), which
27 provides:

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1 (b) Except as provided in subdivision (c), before the entry of a judgment in a class action
2 established pursuant to Section 382 that provides for the payment of money to members
3 of the class, the court shall determine the total amount that will be payable to all class
4 members if all class members are paid the amount to which they are entitled pursuant to
5 the judgment. The court shall also set a date when the parties shall report to the court
6 the total amount that was actually paid to the class members. After the report is received,
7 the court shall amend the judgment to direct the defendant to pay the sum of the unpaid
8 residue or unclaimed or abandoned class member funds, plus interest on that sum at the
9 legal rate of interest from the date of entry of the initial judgment, to nonprofit
10 organizations or foundations to support projects that will benefit the class or similarly
11 situated persons, or that promote the law consistent with the objectives and purposes of
12 the underlying cause of action, to child advocacy programs, or to nonprofit organizations
13 providing civil legal services to the indigent. The court shall ensure that the distribution
14 of any unpaid residue or unclaimed or abandoned class member funds derived from
15 multistate or national cases brought under California law shall provide substantial or
16 commensurate benefit to California consumers. For purposes of this subdivision,
17 “judgment” includes a consent judgment, decree, or settlement agreement that has been
18 approved by the court.

19 Settlement Administrator’s Fees are estimated to not exceed \$4,000.00 and are to be paid
20 from the Gross Settlement Amount.

21 D. Notice to Class Members

22 If the Court grants Preliminary Approval, notice will be provided to Class Members:

23 Within 14 calendar days of Preliminary Approval, Defendants will provide the Settlement
24 Administrator with the following information about each Class Member: (1) name; (2) last known
25 mailing address; (3) Social Security Number; and (4) dates of employment during the Class Period.

26 Within 14 calendar days after the Settlement Administrator’s receipt of the class data, it
27 will calculate the estimated payouts to the Class Members assuming all Class Members participate
28 in the Settlement and it will mail the Notice Packet to Class Members via first-class regular U.S.
mail.

Prior to mailing, the Settlement Administrator will perform a search based on the National
Change of Address Database for information to update and correct any known or identifiable
address changes. If a new address is obtained by way of a returned Notice Packet, then the
Settlement Administrator will promptly forward the original Notice Packet to the updated address
via first-class regular U.S. mail, indicating on the original packet the date of such re-mailing. Class
Members who are sent a re-mailed Notice shall have their response deadline (the “Class Member

1 Exclusion Deadline”), including their deadline to dispute, extended by fifteen (15) calendar days
2 from the date the Settlement Administrator re-mails the Settlement Notice.

3 Upon completion of these steps by the Settlement Administrator, Defendants will be
4 deemed to have satisfied their obligation to provide notice of the Settlement to Class Members.
5 Such persons will be bound by all terms of the Joint Stipulation (including the release) and the
6 Court’s order and final judgment, unless they validly Opt-Out of the Class.

7 Class Members will have 60 calendar days from the date the Notice Packet is first mailed
8 to Opt-Out of the Class. Unless a Class-Member opts out of the Class, the Class Member will be
9 bound by all terms of the Joint Stipulation (including the release) and the Court’s order and final
10 judgment. Defendants have provided information to Class Counsel that only an English version of
11 the Notice Packet is required.

12 E. Procedure for Opting Out of the Class

13 Class Members who wish to exclude themselves from the Class must mail the Settlement
14 Administrator a request for exclusion from the Class in writing before the Class Member Exclusion
15 Deadline, which is 60 days after the date the Notice Packet was mailed, unless the Court orders
16 otherwise. All requests for exclusion must be made in writing, signed by the Class Member, and
17 may be submitted by postal mail, electronic mail, or facsimile. The delivery date for postal mail
18 shall be deemed the date the Opt-Out request is deposited in the U.S. Mail as evidenced by the
19 postmark. The delivery date for electronic mail and facsimile shall be deemed the date that the Opt-
20 Out request is sent.

21 A request to be excluded from the Class will be deemed valid only if the Class Member
22 provided his or her name and address by the Class Member Exclusion Deadline. The written
23 request to be excluded must indicate the Class Member’s intent to be excluded from the Settlement.

24 Any Class Member who timely submits an Opt-Out request will not be entitled to recovery
25 under the Settlement, other than his or her respective proportionate and individual payment from
26 the funds allocated to the PAGA portion of the Gross Settlement Amount, and will not be bound
27 by the Settlement, judgment, or order in this Action. Additionally, any Class Member who timely
28 submits an Opt-Out request will not be entitled to object, appeal, or comment on the Settlement.

1 Class Members who fail to properly or timely submit an Opt-Out will be bound by this Joint
2 Stipulation and any judgment and order entered in the Action. An Opt-Out request will not impact
3 any Class Member's status as a PAGA Member.

4 The Settlement Administrator will provide counsel for the Parties with weekly updates
5 about Class Members who submit Opt-Out requests.

6 F. Procedure for Disputing Workweeks

7 The Settlement Administrator's determination of eligibility for, and the amounts of, any
8 settlement payment under this Joint Stipulation will be conclusive, final, and binding on all Parties,
9 including all Class Members. To dispute the number of Eligible Workweeks with which he or she
10 has been credited, a Class Member must timely submit a Workweek Dispute Form by the Class
11 Member Exclusion Deadline. The Workweek Dispute Form must be submitted by postal mail,
12 electronic mail, or facsimile. For postal mail, the delivery date is deemed to be the date the
13 Workweek Dispute Form is deposited in the U.S. Mail as evidenced by the postmark. For electronic
14 mail or facsimile, the delivery date is the date the Workweek Dispute Form is sent by the Class
15 Member. Class Members who timely fill out Workweek Dispute Forms may produce evidence to
16 the Settlement Administrator showing that the Eligible Workweek information is inaccurate. The
17 Settlement Administrator shall decide the dispute. Defendants' records will be presumed correct,
18 but the Settlement Administrator will evaluate the evidence submitted by the Class Member and
19 will make the final decision on the merits of the dispute. The Settlement Administrator may ask
20 Defendants to produce the personnel and payroll files, or information about the Class Member
21 disputing his or her credited Eligible Workweeks for the Settlement Administrator to resolve the
22 dispute. Defendants shall strive to provide such information within 7 business days of the
23 Settlement Administrator's request. It is understood and agreed that any decision by the Settlement
24 Administrator shall not operate to increase the Gross Settlement Amount.

25 Consistent with Section IV.E. below, any checks paid to Class Members will remain valid
26 and negotiable for 180 days from their issuance, after which they will become stale ("Check Stale
27 Date"). Each check to every Class Member shall state the Check Stale Date on the face of that
28 check. If not cashed by a Class Member by the Check Stale Date, said check will be distributed in

1 accordance with California Code of Civil Procedure § 384(b) and this Joint Stipulation.

2 G. Procedure for Objecting to Settlement

3 Any Class Member who seeks to object to the Settlement may serve a copy of the objection
4 to the Settlement Administrator. All objections should be served within 60 days of mailing of the
5 Class Notice. The Settlement Administrator will forward a copy of the objection to counsel for the
6 parties within 2 business days of receipt. Class Members may appear at the final approval hearing
7 to be heard on their objections, even if they have not previously served a written objection. Class
8 Members who do not serve written objections may not object to the Settlement by way of appeal.

9 H. Final Approval

10 At the Final Approval Hearing, Class Counsel will move the Court for the entry of judgment
11 under Rule 3.769(h) of the California Rules of Court, incorporating the Joint Stipulation. Class
12 Counsel will seek approval of the Joint Stipulation as being fair, adequate, and reasonable to the
13 Class Members. Class Counsel and Defendants' counsel will submit to the Court such pleadings
14 and evidence as required for the Court's determination.

15 **IV. SETTLEMENT TERMS**

16 A. Gross Settlement Amount and Minimum Settlement Payments

17 To settle the claims arising out of the facts in the Action, Defendants will pay the aggregate
18 Gross Settlement Amount. Defendants will not be required to contribute additional sums to fund
19 the Settlement or otherwise resolve this action.

20 B. Establishment of Settlement Fund Account

21 The Settlement Administrator will establish the Settlement Fund Account.

22 C. Allocation of Settlement Proceeds

23 The Gross Settlement Amount is inclusive of and will be allocated:

- 24 i. The Fee Award, which is the amount the Court awards to Class Counsel for their
25 attorney fees, in an amount approximately 33 1/3% (\$65,000) of the Gross
26 Settlement Amount;
- 27 ii. The Cost Award, which is the amount the Court awards to Class Counsel for their
28 reasonable costs, in an amount not exceeding \$15,000;

- 1 iii. The Incentive Award, which comprises the amount the Court awards to the named
2 Plaintiff as a representative of the Class, in an amount not exceeding \$15,000;
- 3 iv. The Settlement Administrator’s Fees, as approved by the Court, in an amount
4 estimated to equal approximately \$4,000;
- 5 v. PAGA penalties in an amount not to exceed \$5,000, 75% of which will go to the
6 LWDA and 25% of which will go to all Class Members, including those Class
7 Members who timely submitted an Opt-Out request;
- 8 vi. The Payout Fund, which is the total money available for payout to Class Members,
9 after deducting the above amounts;
- 10 vii. If the Court approves a lesser amount of any of the above-referenced costs set forth
11 in paragraphs C.i. to C.v., the Payout Fund will increase proportionately.

12 No funds will revert to Defendants.

13 D. Distribution of Settlement Proceeds

14 The Settlement Administrator will keep Defendants’ counsel and Class Counsel apprised
15 of all distributions from the Settlement Fund Account. No person will have any claim against
16 Defendants, Defendants’ counsel, Plaintiff, Class Counsel, or the Settlement Administrator based
17 on distributions and payments made under this Joint Stipulation. Distribution of the Gross
18 Settlement Amount will be:

19 1. Initial Payment

20 Within seven (7) business days after the Effective Date, the Settlement Administrator will
21 pay the Fee Award, the Cost Award, the Incentive Award, the payment to the LWDA, and the
22 Settlement Administrator’s Fees, based on how the Court rules at the Final Approval Hearing. The
23 remainder of the Gross Settlement Amount after deductions for settlement payments made to Class
24 Members and PAGA Members, known as the Payout Fund, will be calculated and distributed as
25 set forth below.

26 2. Individual Settlement Payment Calculations and Payouts

27 The Settlement Administrator will calculate the individual settlement payments to Class
28 Members and PAGA Members by taking these steps:

1 Step One: For each Class Member, the Settlement Administrator shall determine the
2 number or portion of Eligible Workweeks worked during the Class Period. Partial weeks will be
3 rounded up to the nearest full week. The sum of the Eligible Workweeks worked by all Class
4 Members shall be the “Total Workweeks.” The Net Settlement Amount will then be divided by the
5 Total Workweeks. The resulting figure will be the “Workweek Dollar Value.” The Settlement
6 Administrator shall then multiply the number of Eligible Workweeks worked by each Class
7 Member during the Class Period by the Workweek Dollar Value. The resulting figure shall be the
8 “Gross Allocated Amount.”

9 After the notice process and prior to the Final Approval Hearing, the Gross Allocated
10 Amount will be adjusted revised to account for Opt-Outs. Those persons who submit an Opt-Out
11 shall still receive a share of the settlement amount allocated for PAGA based upon their workweeks
12 worked. This will be referred to as the “Final Workweek Dollar Value.” The adjusted Final
13 Workweek Dollar Value will be used to calculate final individual payouts to Class Members,
14 subject to Court approval.

15 The Class Members’ individual settlement payments will be apportioned: 33 1/3% as
16 wages, 33 1/3% for interest, and 33 1/3% for penalties. The amounts paid as wages shall be subject
17 to all tax withholdings customarily made from employee’s wages and all other authorized and
18 required withholdings and shall be reported by W-2 forms. The Settlement Administrator will issue
19 the appropriate federal and state tax forms. Defendants will pay their share of payroll taxes on the
20 wages portion of the individual settlement payments made to Class Members.

21 The settlement payments to Class Members will be paid within seven (7) business days
22 after the Effective Date.

23 E. Uncashed Checks

24 190 days after the settlement payments are issued to Class Members and PAGA Members,
25 the Settlement Administrator will provide the Parties with a report of uncashed checks. Within 10
26 days of receipt of the report, the Parties will file it with the Court. If any settlement check(s) remains
27 uncashed after 180 days from issuance, the Settlement Administrator shall transfer the value of the
28 uncashed checks, plus any interest that has accrued thereon, to the State Controller’s Office –

1 Unclaimed Property Fund, under the unclaimed property laws in the name of the Class Member.
2 The Settlement Administrator shall void any tax documents issued to Class Members and PAGA
3 Members who did not cash their checks within 180 days of issuance. In such event, such Class
4 Members and PAGA Members shall nevertheless remain bound by the Settlement.

5 F. Fee Award

6 Defendants will not object to a claim for attorney fees of approximately 33 1/3% (\$65,000)
7 of the Gross Settlement Amount. Defendants will not be obligated to pay any attorney fees of Class
8 Counsel, Plaintiff, or Class Members above this amount. Class Counsel's attorney fee application
9 will be submitted with supporting documentation and heard during the Final Approval Hearing.
10 The Fee Award will be determined by the Court.

11 G. Costs Award

12 Defendants will not object to a claim of costs up to \$15,000 of the Gross Settlement
13 Amount. Defendants will not be obligated to pay any costs of Class Counsel, Plaintiff, or Class
14 Members above this amount. Class Counsel's request for costs must be submitted with its fee
15 application and with supporting documentation and heard during the Final Approval Hearing. The
16 Costs Award will be determined by the Court.

17 H. Incentive Award

18 Defendants will not object to an incentive award of \$15,000 to Plaintiff. Defendants will
19 not be obligated to pay any incentive awards in the Action above this amount. The Incentive Award
20 will be considered miscellaneous income. The Settlement Administrator will issue a Form 1099,
21 and any other tax forms, to Plaintiff relating to this award. The Incentive Award will be determined
22 by the Court.

23 I. Settlement Administrator's Fees

24 The Parties agree settlement administration costs will be deducted from the Gross
25 Settlement Amount, subject to approval by the Court. The Settlement Administrator's fees are
26 estimated to be \$4,000.

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1 J. PAGA Penalties

2 The Parties agree to allocate \$5,000 of the Gross Settlement Amount to resolve all claims
3 for penalties under PAGA. Under Labor Code § 2699(i), 75% of that amount will be paid to the
4 LWDA. This amount will be paid within 30 days after the Effective Date. The other 25% will
5 remain part of the settlement funds.

6 V. RELEASE OF CLASS CLAIMS BY THE CLASS

7 Plaintiff and Class Members will be deemed to have released the Released Parties of and
8 from all of the Released Class Claims during the Class Period on the date the individual and
9 proportionate payment from the Net Settlement Amount is made to each Class Member. These
10 claims include all claims alleged or could have been alleged in the Third Amended Complaint
11 during the Class Period, including but not limited to all claims under Labor Code sections 201,
12 202, 203, 204, 204.1, 204.2, 210, 226, 226(a), 226(e), 510, 558, 1174, 1174.5, 1194, 1197, 1197.1,
13 1198, 2699, 2699(a), 2699(f), 2699(g), 2699.3, 2802, Industrial Welfare Commission Order No. 4-
14 2001 and other applicable Wage Orders, Business and Professions Code sections 17200 et seq. and
15 17203, Code of Civil Procedure section 1021.5, and all claims for violation of PAGA and all related
16 claims for penalties, to the extent such claims are predicated on the other claims released herein,
17 during the Class Period. These claims further include without limitation: failure to pay all wages
18 earned for all hours worked including minimum wages and overtime wages, failure to provide
19 accurate written wage statements, waiting time penalties, unfair competition violations, failure to
20 pay for all hours worked at the correct rates of pay, failure to timely pay wages, failure to timely
21 pay wages upon termination, failure to maintain accurate employment records, failure to pay
22 overtime, meal period violations and claims for meal period premium pay, rest period violations
23 and claims for rest period premium pay, failure to reimburse necessary business expenses,
24 damages, unpaid costs, penalties, premium pay, liquidated damages, interest, attorney fees,
25 litigation costs, restitution, or equitable relief, which Plaintiff, the Class and any Class Members
26 had, or may claim to have, against the Released Parties, that were alleged or could have been
27 alleged in the Third Amended Complaint during the Class Period.

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1 **VI. RELEASE OF PAGA CLAIMS BY THE PAGA MEMBERS**

2 Plaintiff and PAGA Members will be deemed to have released the Released Parties of and
3 from all of the Released PAGA Claims during the PAGA Period on the date the individual and
4 proportionate payment from the Net Settlement Amount is made to each PAGA Member.

5 **VII. RELEASE OF CLAIMS BY PLAINTIFF**

6 Upon the effective date, Plaintiff releases and forever discharges Defendant, and each of
7 Defendant's employees, partners, shareholders, officers, directors, agents, attorneys, insurance
8 carriers, parents, subsidiaries, divisions or affiliated organizations or corporations, whether
9 previously or hereafter affiliated in any manner, and the respective predecessors, successors and
10 Released Parties, from any and all claims, demands, causes of action, obligations, charges,
11 damages, liabilities, attorneys' fees, and costs of any nature whatsoever, contingent, or non-
12 contingent, matured or unmatured, liquidated or unliquidated, whether or not known, suspected or
13 claimed, which Plaintiff had, now has or may claim to have had as of the Effective Date against
14 the entities identified in this paragraph (whether directly or indirectly) or any of them, by reason
15 of any act or omission whatsoever, concerning any matter, cause or thing, including, without
16 limiting the generality of the foregoing, any claims, demands, causes of action, obligations,
17 charges, damages, liabilities, attorneys' fees and costs relating to or arising out of any alleged
18 violation of any contracts, express or implied, any covenant of good faith and fair dealing, express
19 or implied, or a tort, or any legal restrictions on any of employer's right to terminate employees, or
20 any federal, state, municipal or other governmental statute, public policy, regulation or ordinance.
21 Plaintiff's release set forth herein shall include a waiver of all rights under California Civil Code
22 §1542, which includes a release of all known and unknown claims against the Released Parties
23 during the Class Period. Civil Code section 1542 provides:

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

1 Upon the Effective Date, Plaintiff will be deemed to have waived his rights under Civil
2 Code §1542 during the Class Period, as set forth above. Plaintiff's release excludes any claim for
3 workers' compensation.

4 **VIII. NULLIFICATION OF THE JOINT STIPULATION**

5 If (a) the Court should, for any reason, fail to approve this Joint Stipulation in the form
6 agreed to by the Parties, or (b) the Court should for any reason fail to enter a judgment in the
7 Action, or (c) the judgment is reversed, modified, or declared or rendered void, this Joint
8 Stipulation will be null and void, and neither this Joint Stipulation, nor any of the related
9 negotiations or proceedings, will be of any force or effect, and all Parties will stand in the same
10 position, without prejudice, as if the Joint Stipulation had not been entered into or filed.
11 Invalidation of any material portion of this Joint Stipulation will invalidate this Joint Stipulation in
12 its entirety, unless the Parties subsequently agree in writing that the remaining provisions of the
13 Joint Stipulation are to remain in full force and effect.

14 If the number of Class Members who submit Opt-Out Forms exceeds 3%, within 14 days
15 of being notified of this fact by the Class Administrator, Defendants may rescind this Joint
16 Stipulation. If Defendants rescind, they will be responsible for settlement administration costs.

17 **IX. DUTIES OF THE PARTIES**

18 A. Mutual Full Cooperation

19 The Parties agree to cooperate to accomplish and implement the terms of this Joint
20 Stipulation. Such cooperation will include, but is not necessarily limited to, execution of such other
21 documents and taking such other actions as may be reasonably necessary to fulfill the terms of this
22 Joint Stipulation. The Parties will use their best efforts and act in good faith, including all efforts
23 contemplated by this Joint Stipulation and any other efforts that may become necessary by court
24 order, or otherwise, to effectuate this Joint Stipulation and the terms set forth herein. As soon as
25 practicable after execution of this Joint Stipulation, Class Counsel, with the cooperation of
26 Defendants and their counsel, will try to secure Preliminary Approval and Final Approval.

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1 B. Duty to Support and Defend the Settlement

2 The Parties agree the Settlement is fair, adequate, and reasonable and will so represent to
3 the Court. The Parties agree to abide by all terms of the Joint Stipulation in good faith and to
4 support the Joint Stipulation fully, and to use their best efforts to defend the Settlement from any
5 legal challenge, whether by appeal or collateral attack.

6 **X. MISCELLANEOUS PROVISIONS**

7 A. No Publicity and Media Comments

8 The Parties and their counsel agree that they will issue no press release or other public or
9 non-public representation regarding the Settlement other than as necessary to obtain court approval
10 and effectuate the terms of the Settlement. The Parties and their counsel agree that they will not
11 publicize the Settlement, or initiate or have any contact with the press, respond to any press inquiry
12 or have any communication with the press about this case. If contacted by the media, the Parties
13 and Class Counsel will merely inform them that the case has been resolved, and refer them to the
14 public filings.

15 Notwithstanding the above, Plaintiff's Counsel may communicate with Class Members for
16 purposes of the Settlement, subject to the limitations set forth above.

17 B. Waiver of Appeals

18 The Parties and Class Members agree to waive any appellate rights; provided, however,
19 Plaintiff may appeal any reduction in the attorney fees and/or cost award.

20 C. No Admission of Liability

21 This Joint Stipulation does not admit liability by Defendants or the Released Parties.

22 D. Non-Disparagement

23 Plaintiff and Class Counsel agree not to publicly disparage Defendants or the Released
24 Parties.

25 E. Construction

26 The Parties agree this Joint Stipulation resulted from lengthy, intensive, arm's-length
27 negotiations, and it is not to be construed for or against any party for any reason.

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1 F. Choice of Law

2 This Joint Stipulation is intended to, and will be governed by, the laws of California,
3 without regard to conflicts of law principles. The Court will retain jurisdiction to enforce the
4 Settlement.

5 G. Captions and Interpretations

6 Paragraph, titles, or captions contained herein are inserted as a matter of convenience and
7 for reference only, and in no way define, limit, extend, or describe the scope of this Joint Stipulation
8 or any provision thereof.

9 H. Modification

10 This Joint Stipulation may not be changed, altered, or modified, except in writing signed
11 by counsel for the Parties and approved by the Court. This Joint Stipulation may not be discharged
12 except by performance under its terms or by a writing signed by the Parties.

13 I. Integration Clause

14 All prior or contemporaneous agreements, understandings, representations, and statements,
15 whether oral or written, between the Parties are merged herein. No rights under this Joint
16 Stipulation may be waived except in writing.

17 J. Successors and Assigns

18 This Joint Stipulation will be binding upon and inure to the benefit of the Parties and their
19 respective heirs, trustees, executors, administrators, successors, and assigns.

20 K. Class Counsel Signatories

21 Because the Class Members are so numerous, the Parties agree it is impossible or
22 impractical to have each Class Member sign this Joint Stipulation. This Joint Stipulation may be
23 executed on behalf of the Class by Class Counsel and named Plaintiff.

24 L. Plaintiff's Waiver of Right to be Excluded or Object

25 Plaintiff agrees not to Opt-Out of the Class and agrees not to object to any terms of this
26 Joint Stipulation. Non-compliance by Plaintiff with this paragraph will be void and of no force or
27 effect. Any such request for exclusion or objection by Plaintiff will therefore be void and of no
28 force or effect.

1 M. Execution in Counterparts

2 This Joint Stipulation will become effective upon its execution by all of the undersigned.
3 The Parties may execute this Joint Stipulation in counterparts, and execution of counterparts will
4 have the same force and effect as had all Parties signed the same instrument.

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DEFENDANTS AND COUNSEL FOR DEFENDANTS

HTx Services LLC

DATED: May 19, 2021, 2021 By: [Signature]

Name: Brad Browder

Title: CEO

Authorized to sign on behalf of HTx Services LLC

HTx Holdings LLC

DATED: May 19, 2021, 2021 By: [Signature]

Name: HAROLD NAM

Title: MANAGING MEMBER

Authorized to sign on behalf of HTx Holdings LLC

Approved as to Form:

DATED: May 19, 2021, 2021

FISHER & PHILLIPS LLP

By: [Signature]

Lonnie D. Giamela
Christopher D. Chaplin
Attorneys for Defendants

EXHIBIT 1

WORKWEEK DISPUTE FORM

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES
David Contreras v. HTx Services LLC, Case No. 19STCV43405

Indicate Name/Address Changes, if any:

<<Name>>

<<Address>>

<<City>>, <<State>> <<Zip Code>>

XX - XX - ____ _

TO ALL CURRENT AND FORMER NON-EXEMPT, HOURLY-PAID DELIVERY SERVICE AND FIELD SERVICE EMPLOYEES OF HTX SERVICES LLC AND HTX HOLDINGS LLC IN THE STATE OF CALIFORNIA FROM DECEMBER 4, 2015 THROUGH DECEMBER 31, 2020.

The amount of your estimated Settlement Award is based upon the number of Eligible Workweeks you worked between December 4, 2015 and December 31, 2020.

“Eligible Workweeks” are defined as any week in which you worked at least one (1) day as a non-exempt, hourly employee of HTx Services LLC or HTx Holdings LLC (“Defendants”) in California during the calendar week. The number of Eligible Workweeks applicable to your claim is set forth below.

YOUR ELIGIBLE WORKWEEKS

Defendants’ records indicate that you worked ____ Eligible Workweeks between December 4, 2015 and December 31, 2020.

If you believe that the number of workweeks is correct, you do not have to do anything else. A Settlement Payment will be mailed to you after the Settlement goes into effect. **It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your Settlement Award.**

YOUR ESTIMATED SETTLEMENT AWARD AND DISPUTE PROCEDURE

Under the terms of the Class Action Settlement, you are entitled to receive a settlement payment in the approximate estimated amount of <\$ ____>, minus all applicable payroll and tax deductions, after the Court approves the Settlement and it goes into effect. This process may take six months or more. You will receive a Form W-2 reflecting the payment to you. Your Individual Settlement Payment reflected on this Notice is only an estimate. The exact amount of the payment could vary, up or down.

It is expected that you will receive approximately <<Est PAGA payment>> as your portion of the payment related to the PAGA claims. You will receive this amount even if you opt-out of the Settlement. All portions of the PAGA payment shall be allocated as alleged penalties and not subject to payroll tax withholdings, for which the Settlement Administrator shall issue an IRS Form 1099.

If you wish to dispute the number of workweeks credited to you or anything else about your employment status, you must complete and return this form by indicating what you believe is incorrect on the blank lines below and return it on or before _____ [60 days after initial mailing] to the Settlement Administrator via U.S. Mail with proof of the submission date (such as a postmark or delivery service date stamp), via E-Mail by sending the completed form to [EMAIL ADDRESS], or via facsimile by sending the completed form to [FAX NUMBER] . You must also send any documents or other information that you contend supports your belief that the information set forth above is incorrect. The Settlement Administrator will resolve any dispute based upon Defendants’ records and any information you provide. Please be advised that the information on this

Workweek Dispute Form is presumed to be correct unless the documents you submit are company records from Defendants.

UNLESS YOU ARE FILING A DISPUTE REGARDING THE NUMBER OF WEEKS, OR YOUR EMPLOYMENT STATUS, YOU DO NOT NEED TO TAKE ANY ACTION

EXHIBIT 2

**NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND
HEARING DATE FOR COURT APPROVAL**

David Contreras v. HTx Services LLC, Case No. 19STCV43405

As a current or former non-exempt, hourly-paid delivery service and field service employee of HTx Services LLC AND HTx Holdings LLC in the State of California, you may be entitled to receive money from a class action settlement.

CPT ID: <<CPT ID>>

Please provide current address (if different) here:

<<Name>>

<<Address1>>

<<Address2>>

<<City>>, <<State>> <<Zip Code>>

*The Los Angeles County Superior Court has authorized this Class Notice.
This is not a solicitation from a lawyer.*

YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A CLASS ACTION SETTLEMENT IF YOU ARE A CURRENT OR FORMER NON-EXEMPT, HOURLY-PAID DELIVERY SERVICE AND FIELD SERVICE EMPLOYEE WHO WORKED FOR HTX SERVICES LLC, OR HTX HOLDINGS LLC FROM DECEMBER 4, 2015 THROUGH DECEMBER 31, 2020.

- A proposed settlement of \$195,000.00 (the “Gross Settlement Amount”) will be used to pay claims to: current and former non-exempt, hourly-paid delivery service and field service employees of HTx Services LLC or HTx Holdings LLC (“Defendants”) who worked in the State of California from December 4, 2015 through December 31, 2020 (such periods of time, the “Class Period” and such employees, the “Class Members”).
- The settlement resolves a lawsuit entitled *David Contreras v. HTx Services LLC, Case No. 19STCV43405* (the “Lawsuit”) over whether Defendants properly paid employees for all wages earned, including straight-time, and overtime, reimbursed for expenses, provided lawful meal and rest periods, provided accurate wage statements, timely paid wages during employment and upon termination, and other legal consequences that would follow from not doing so, including claims under California’s Business & Professions Code and Private Attorneys General Act of 2004 (“PAGA”). This settlement avoids the costs and risks from continuing the Lawsuit, pays money to persons like you, and releases Defendants from alleged liability.
- The Court has not made a determination of the validity of the claims in the Lawsuit. Defendants deny any and all liability arising from any of the claims and contend that at all relevant times they properly compensated, provided lawful meal and rest periods, provided accurate itemized wage statements, timely paid wages, and fully complied with all applicable laws.
- Class Members will receive a payment based on the number of workweeks worked, rounded up to the nearest full workweek, during the Class Period. Your individual payment as part of the Settlement is estimated to be: \$_____.

PLEASE READ THIS ENTIRE CLASS NOTICE CAREFULLY.

YOUR LEGAL RIGHTS ARE AFFECTED BY IT.

HOW MUCH WILL I GET?
You worked a total number of <<Workweeks>> during the Class Period.
It is expected that you will receive approximately <<EstISP>> from this Settlement as a Class Member.
It is expected that you will receive approximately <<Est PAGA payment>> as your portion of the payment related to the PAGA claims. You will receive this amount even if you opt-out of the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	Receive a payment and give up your legal rights to pursue claims released by the settlement of the Lawsuit.
OPT OUT	<p>Receive no payment for the class claims and retain your legal rights to pursue claims that would otherwise be released by the settlement of the Lawsuit.</p> <p>However, please note that, even if you Opt-Out from the Class claims, you will still receive your individual and proportionate share of payment related to the PAGA claims and you will have released your right to bring a representative PAGA action against Defendants. Pursuant to current law and the Court’s Order, you are unable to Opt-Out of the PAGA portion of the settlement.</p>
OBJECT TO THE SETTLEMENT	If you do not opt out, you may write to the Settlement Administrator, _____, about why you do not like the settlement and they will forward your concerns to counsel which will then be provided to the Court.
OBJECT TO THE WORKWEEK CALCULATION	If you feel that you worked a different amount of workweeks as an hourly employee than identified above, you may object to that calculation by submitting a workweek dispute form.
ATTEND A HEARING	You have the right to attend a fairness hearing that will be conducted by the Court, but you are not required to attend. If you timely file and serve a written objection, and if you also want to speak about your objection at the hearing, you should send a letter to the Settlement Administrator, _____, providing notice of your intention to appear and speak at the hearing. The court will hear from any class member who attends the final approval hearing and asks to speak regarding his or her objection, without faxing or mailing an objection. The information regarding the date, time, and location of this hearing is provided below.

IMPORTANT INFORMATION ABOUT THE PROPOSED SETTLEMENT

1. Why did I get this Class Notice?

You were sent this Class Notice because you have a right to know about the proposed settlement in the Lawsuit and about all of your options before the Court rules on whether to finally approve the settlement. If the Court approves the settlement, and after any objections and appeals are resolved, a “Settlement Administrator” appointed by the Court will make the payments that the

settlement allows. This Class Notice explains the Lawsuit, the proposed settlement, your legal rights, and what benefits are available and how to receive them.

The Court in charge of this case is the Los Angeles County Superior Court. The person who sued is called “Plaintiff” and the organizations he sued are called “Defendants.”

2. What is the Lawsuit about?

In the Lawsuit, David Contreras (“Plaintiff”) alleged multiple violations of the California Labor Code, the California Business & Professions Code, and PAGA, including causes of action for: (1) failure to pay all wages earned, including overtime; (2) failure to provide rest breaks; (3) failure to provide meal periods; (4) unreimbursed expenses; (5) failure to provide accurate wage statements; (6) failure to timely pay wages during employment and at termination; (7) unfair competition under California’s Business & Professions Code; and (8) claims for civil penalties for violations of PAGA.

3. Why is there a settlement?

The parties disagree on the probable outcome of the case with respect to liability, damages, and how much money could be recovered if the Plaintiff won at trial. Defendants believe the Plaintiff would not prevail if this case went to trial. The Court has not decided in favor of the Plaintiff or Defendants. There has been no trial in this case. Instead, both sides recognize the risks, expenses, and disruption associated with continued litigation and they have therefore chosen to resolve their differences by entering into a settlement. By doing so, the parties can avoid the cost of a trial, yet Class Members are still entitled to receive payments if they comply with the instructions in this Class Notice. The parties entered into this settlement after arms-length negotiations while using the services of an experienced and neutral mediator. The Plaintiff and Class Counsel believe that the proposed settlement is fair and reasonable and is in the best interest of the Class Members.

4. What is a class action settlement?

The Court must approve the terms of the proposed settlement as fair and reasonable. Once approved, the settlement will affect all Class Members, except those who have properly opted out. This Class Notice explains your legal rights, the terms of the settlement, what you must do to participate, and the amount of money you may receive. Please read this entire Class Notice carefully.

5. What should I do?

You can do nothing, and if you are entitled to a payment, you will be paid. Be mindful, however, that if this Class Notice reaches you and the address where you now live is different, you need to contact the Settlement Administrator and provide updated information so that any future correspondence or the settlement check itself reaches you and is not returned as an address unknown.

6. How much will my payment be?

After all fees, costs, and offsets are taken as set forth under Section IV of the parties’ Joint Stipulation of Class Settlement (which is available for review), the remainder will be used to pay

Class Members a pro-rata payment based on the number of workweeks each Class Member worked during the Class Period (“Pro-Rata Share”).

The Settlement Administrator shall determine by how many workweeks each such Class Member was underpaid.

Your estimated payment is listed above, on pages 1 and 3 of this document. If you do not dispute your workweek calculation, and do not opt out of the settlement, you will be bound by the settlement and receive a settlement payment. **In other words, you do not need to take any action to receive a settlement payment.**

7. When would I get my payment?

The Court will hold a hearing on [ENTER DATE AND TIME, COURT ADDRESS AND DEPARTMENT NUMBER] to decide whether to approve the proposed settlement. If the Court approves the settlement and anyone objects, there may be appeals. It is always uncertain when these objections and appeals can be resolved, and resolving them can take time. To check on the progress of the settlement, call the Settlement Administrator at 1-XXX-XXX-XXXX, or contact Class Counsel (see below for Class Counsel’s contact information.). Please be patient.

8. What am I releasing?

Once the Settlement Administrator has sent the individual settlement payment from the Gross Settlement Amount, Plaintiffs and Class Members who have not effectively opted-out of the settlement as described below, fully release and discharge Defendants, and all of their past and present owners, officers, directors, shareholders, employees, agents, assigns, attorneys, insurers, parent companies, subsidiaries, and affiliates, and their respective predecessors, successors, and assigns, without limitation (“Released Parties) of and from any and all claims for wages (including straight time and overtime), damages, unpaid costs, penalties, premium pay, liquidated damages, interest, attorney fees, litigation costs, restitution, or equitable relief, which Plaintiff, the Class and any Class Members had, or may claim to have, against any of the Released Parties, that were alleged or could have been alleged in the operative Third Amended Complaint during the Class Period (“Released Class Claims”). These claims include but are not limited to: failure to pay all wages earned for all hours worked including minimum wages and overtime wages, failure to provide accurate written wage statements, waiting time penalties, unfair competition violations, failure to pay for all hours worked at the correct rates of pay, failure to timely pay wages, failure to timely pay wages upon termination, failure to maintain accurate employment records, failure to pay overtime, failure to provide meal periods, meal period violations and claims for meal period premium pay, failure to provide rest periods, rest period violations and claims for rest period premium pay, failure to reimburse necessary business expenses, damages, unpaid costs, penalties, premium pay, liquidated damages, interest, attorney fees, litigation costs, restitution, or equitable relief, which Plaintiff, the Class and any Class Members had, or may claim to have, against the Released Parties, that were alleged or could have been alleged in the Complaint during the Class Period, including but not limited to all claims under PAGA and Labor Code sections 201, 202, 203, 204, 204.1, 204.2, 210, 226, 226(a), 226(e), 510, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2699, 2699(a), 2699(f), 2699(g), 2699.3, 2802, Industrial Welfare Commission Order No. 4-2001 and other applicable Wage Orders, Business and Professions Code sections 17200 *et seq.* and 17203, Code of Civil Procedure section 1021.5, and all claims for violation of PAGA and all related claims for penalties, to the extent such claims are predicated on the other claims released herein, during the Class Period.

This release covers all claims pled, or that could have been pled, arising out of the facts in the operative Third Amended Complaint. The time period covered by this release is December 4, 2015 through December 31, 2020.

9. How can I opt out of this settlement?

You can opt out of this settlement as to the Released Class Claims and retain your rights. To do so, you must prepare and submit the Opt-Out Form provided with this notice packet. You will have **60 days** from the date of mailing of this Class Notice to do so. Your Opt-Out Form must be sent to the Settlement Administrator via U.S. Mail, E-Mail, or facsimile, _____, [**ADD ADDRESS, EMAIL ADDRESS, and FACSIMILE NUMBER**] and be postmarked no later than [**ENTER DATE**] or sent via E-Mail or facsimile before [**ENTER DATE**], or it will not be considered and you will be bound by the settlement.

Please note that even if you Opt-Out of the Released Class Claims, pursuant to current law and the Court's Order, you are unable to Opt-Out of the PAGA portion of the settlement. As a result, you will still receive your individual and proportionate share of payment related to the PAGA claims and you will have released your right to bring a representative PAGA action against Defendants.

10. Do I have a lawyer in this case?

The Court has appointed David G. Spivak, 16530 Ventura Blvd., Suite 203, Encino, California 91436, telephone (213) 725-9094 extension 101, and Walter Haines of United Employees Law Group, 5500 Bolsa Ave., Suite 201, Huntington Beach, California 92649, to represent you and other Class Members in the Lawsuit. These lawyers are called Class Counsel. They will be compensated from the Total Settlement Amount as discussed in this Class Notice. If you want to be represented by your own lawyer, you may hire one at your own expense.

11. How will the lawyers be paid?

Class Counsel will ask the Court to award them fees of approximately 33 1/3% (one-third) of the Gross Settlement Amount. Class Counsel will also ask the Court to award them costs incurred in connection with the Lawsuit. The Court may choose to award less than the amount requested by Class Counsel.

12. How do I tell the Court that I do not like the settlement?

You can ask the Court to deny approval by objecting. You cannot ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies the settlement, no settlement payments will be sent out and the Lawsuit will continue. If that is what you want to happen, you must object.

You may object to the proposed settlement in writing or in person. You may also appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for paying that attorney. All written objections and supporting papers should (a) clearly identify the case name and number (*David Contreras v. HTx Services LLC*, Case No. 19STCV43405), (b) be submitted to the Court either by mailing them to the Clerk of Court, Los Angeles County Superior Court, 312 N Spring Street, Department SS-7, Los Angeles, California 90012, or by filing them in person at the Los Angeles Superior Court, and (c)

be filed or submitted on or before **[ENTER DATE]**. Class Members may appear at the final approval hearing to be heard on their objections, even if they have not previously served a written objection.

13. When and where will the Court decide whether to approve the settlement?

The Court will hold a fairness hearing on **[ENTER DATE AND TIME]** at the Los Angeles County Superior Court, 312 N Spring Street, Department SS-7, Los Angeles, California 90012. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections that were properly made, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay to Class Counsel. At or after the hearing, the Court will decide whether to approve the settlement. We do not know how long this decision will take.

14. Do I have to come to the hearing?

No. Class Counsel will answer any questions that the Court may have. But, you are welcome to attend the hearing at your own expense. If you sent an objection, you do not have to come to Court to talk about it. As long as you timely submitted your written objection, the Court will consider it. You may also pay your own lawyer to attend, but it is not required.

15. May I speak at the hearing?

If you properly objected to the settlement, you may speak at the fairness hearing. The Court will also hear from any class member who attends the final approval hearing and asks to speak regarding his or her objection, without faxing or mailing an objection.

Due to social distancing requirements, face masks and/or facial coverings are required and mandatory at all times to enter the courthouse. You may also appear at the Final Approval Hearing remotely. For further information on the Los Angeles Superior Court's "Here For You | Safe For You" program, remote appearance options, reservations for in-person services, safety measures, mandatory mask use & social distancing requirements, please visit the Los Angeles Superior Court's website at www.lacourt.org" www.lacourt.org. To schedule a remote appearance, visit the Court's website at: <https://my.lacourt.org/laccwelcome>, and use the case number - 19STCV43405. Class Members who wish to appear at the Final Approval Hearing can also contact Class Counsel to arrange a telephonic appearance through the third-party service provider, at least three business days before the hearing if possible. Any fees for an appearance by a Class Member shall be paid by Class Counsel.

16. What happens if I do nothing at all?

You will participate in the settlement and receive payment. You will be bound by the release as set forth herein.

GETTING MORE INFORMATION

This Class Notice summarizes the proposed settlement. You may call or contact Class Counsel or the Settlement Administrator if you would like more information about the case. You may call 1-XXX-XXX-XXXX or write the Settlement Administrator, _____, Inc., located at

[ADD ADDRESS].

For the settlement's complete terms and conditions, please consult the detailed Second Amended Joint Stipulation of Class Action Agreement which is attached as Exhibit 21 to the Second Supplemental Declaration of David G. Spivak in support of the Motion for Preliminary Approval of Class Action Settlement filed on **[date of filing]**. The settlement documents and other pleadings and documents on file with the Court may be viewed electronically on the Settlement Administrator's website at **[insert websiteaddress]**. You can also access the Los Angeles County Superior Court's Online Services at <https://www.lacourt.org>, or by visiting the Clerk's Office at the Los Angeles County Superior Court, 312 N Spring Street, Los Angeles, California 90012, between : 0 a.m. and : 0 p.m., Monday through Friday, excluding Court holidays under the Court's social distancing guidelines. Face masks and/or facial coverings are required and mandatory at all times to enter the courthouse, and appointments will be required to receive in-person services in the Clerk's office and Self-Help Centers. (For more information on reservations for in-person services, please visit the Los Angeles Superior Court's website at www.lacourt.org)

If the Court grants final approval of the Settlement, the Settlement Administrator's website will also have copies of all papers filed by Class Counsel in support of their Motion for Final Approval of Class Action Settlement and the Court's Order and Judgment Granting Final Approval of Class Action Settlement. All of these documents may be viewed free of charge on the Settlement Administrator's website at **[insert website address]**. Any change of the date or location of the final approval hearing will also be posted on the on the Settlement Administrator's website.

IMPORTANT:

- 1. PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.**
- 2. IF YOU MOVE TO A DIFFERENT ADDRESS, PLEASE PROVIDE THE SETTLEMENT ADMINISTRATOR WITH YOUR NEW ADDRESS. IT IS YOUR RESPONSIBILITY TO KEEP A CURRENT ADDRESS ON FILE WITH THE SETTLEMENT ADMINISTRATOR TO ENSURE RECEIPT OF YOUR SETTLEMENT PAYMENT.**