## STIPULATION OF CLASS AND RESPRESENTATIVE ACTION SETTLEMENT

IT IS HEREBY STIPULATED by and between Plaintiff Antonio Delgado, on behalf of himself and others similarly situated, on the one hand, and Defendant Intense Lighting, LLC, on the other hand, and subject to the approval of the Court, that the Lawsuit is hereby being compromised and settled pursuant to the terms and conditions set forth in this Stipulation of Class and Representative Action Settlement ("Settlement Agreement") and that the Court shall make and enter judgment, subject to the continuing jurisdiction of the Court as set forth below, subject to the definitions, recitals and terms set forth herein which by reference become an integral part of this Settlement Agreement.

# **DEFINITIONS**

- 1. "Administration Costs" means fees and costs of settlement administration services rendered in administrating the settlement.
- 2. "Attorneys' Fees and Costs" means the amount the Court authorizes to be paid to Class Counsel for attorneys' fees, not to exceed 35 percent of the Gross Settlement Amount, and litigation costs incurred in connection with the Lawsuit, not to exceed \$20,000, paid from the Gross Settlement Amount.
  - 3. "Class Counsel" means CounselOne, P.C.
- 4. "Class" or "Class Member(s)" means all current and former hourly-paid or nonexempt employees who worked for Defendant Intense Lighting, LLC and/or its predecessors or merged entities, within the State of California during the Class Period.
- 5. "Class List" means a list of contact information, compiled by Defendant based on its records, containing the following information for each Class Member: full name, last-known mailing address, last-known telephone number, Social Security number, number of Workweeks during the Class Period, number of pay periods during the PAGA Period, along with the start and end dates of employment in an hourly-paid or non-exempt position in California during the Class Period.
- 6. "Class Notice" means the document to be sent via first class U.S. mail to the Class following Preliminary Approval, in substantially the form that is attached hereto as "**EXHIBIT 1**,"

or otherwise approved by the Court, which will notify Class Members of the settlement, explain the basic terms of this Settlement Agreement, and inform Class Members of their options with regard to the settlement.

- 7. "Class Period" means the period beginning on January 11, 2017 and ending on the date that is 60 days after the date of mediation or the date of Preliminary Approval, whichever is sooner.
  - 8. "Court" means the Superior Court for the State of California, County of Orange.
  - 9. "Defendant" means Intense Lighting, LLC.
- 10. "Defendant's Counsel" means James P. Carter and J. Andrew Schaffer of Jackson Lewis, PC.
- 11. "Effective Date" will be the date of entry of the Final Approval Order and Judgment if no objections to the settlement are filed. If objections are filed and overruled or withdrawn, and no appeal is taken, then the Effective Date will be sixty-five (65) calendar days after the entry of the Final Approval Order and Judgment. If an appeal is taken from the Court's overruling of objections to the settlement, then the Effective Date will be twenty (20) calendar days after the appeal is dismissed or after an appellate decision affirming the Final Approval Order and Judgment becomes final.
- 12. "Enhancement Payment" means the amount that the Court authorizes to be paid to Plaintiff, in addition to his Individual Settlement Payment, in recognition of his efforts and risks in assisting with the prosecution of the Lawsuit and in exchange for him executing a General Release of Defendant, paid from the Gross Settlement Amount.
- 13. "Final Approval Hearing" means the hearing following Preliminary Approval and distribution of the Class Notice to the Class, at which the Court will determine whether to fully and finally approve the fairness and reasonableness of the settlement, and at which Plaintiff will request that the Court enter the Final Approval Order and Judgment, approve and award Attorneys' Fees and Costs, Enhancement Payment, Individual Settlement Payments, Administration Costs, and LWDA Payment, and take other appropriate or necessary action as described herein.
  - 14. "Final Approval Hearing Date" means the date of the Final Approval Hearing.

- 15. "Final Approval Order and Judgment" means the order or orders entered by the Court that, *inter alia*, finally approve(s) this Settlement Agreement, disposes of all issues raised in the Lawsuit by way of judgment in conformity with California Rules of Court 3.769, and awards and orders the payment of all required amounts pursuant to the terms of this Settlement Agreement.
- 16. "Gross Settlement Amount" or "GSA" means the maximum total payment of eight hundred thousand dollars (\$800,000) payable by Defendant under this Settlement Agreement, inclusive of all Individual Settlement Payments, Attorneys' Fees and Costs, Administration Costs, Enhancement Payment to Plaintiff, and the LWDA Payment. The Gross Settlement Amount is non-reversionary, subject to increase pursuant to Paragraph 52, and exclusive of employer-side payroll taxes which shall be paid separately.
- 17. "Individual Settlement Share(s)" means a Settlement Class Member's *pro rata* share of the Net Settlement Amount, which is to be determined in conformity with Paragraph 46(e), which is inclusive of the employee-side payroll taxes, contributions, and withholdings with respect to the wages portion of the Individual Settlement Shares ("Employee Taxes"). The net payment of each Settlement Class Member's Individual Settlement Shares (after reduction for Employee Taxes), and PAGA Group Member's individual PAGA payment (if applicable) is referred to as his or her "Individual Settlement Payment."
- 18. "Lawsuit" means the action entitled *Antonio Delgado v. Intense Lighting LLC, et al.*, filed in the Orange County Superior Court and assigned case number 30-2021-01219686-CU-OE-CXC.
- 19. "LWDA Payment" means the payment that is to be approved by the Court pursuant to Labor Code section 2699 and distributed as follows: seventy-five (75%) of the PAGA Payment (*i.e.*, \$60,000) to the California Labor and Workforce Development Agency ("LWDA") and twenty-five (25%) (*i.e.*, \$20,000) to the Class Members employed during the PAGA Period ("PAGA Group Members") on *pro rata* basis in conformity with Paragraph 44(d). Class Counsel shall give timely notice of the settlement to the LWDA under Labor Code section 2699(l)(2).
- 20. "Net Settlement Amount" or "NSA" means the portion of the Gross Settlement Amount that is available for distribution to Settlement Class Members, which will be the Gross

Settlement Amount less the amounts awarded for Attorneys' Fees and Costs, Enhancement Payment, PAGA Payment, and Administration Costs.

- 21. "Notice Plan" means the plan for the provision of notice to all Class Members under this Settlement Agreement.
- 22. "PAGA Group" or "PAGA Group Members" mean all Class Members, whether or not they submit a request for exclusion from the Settlement Class, employed by Defendant during the PAGA Period.
- 23. "PAGA Group Members' Released Claims" means all claims, during the PAGA Period, asserted under the PAGA (codified in California Labor Code §§ 2698, et seq.) alleged in the operative complaint in the Lawsuit, or that could have been asserted based on the facts, circumstances, transactions, occurrences, acts, omissions, or failures to act alleged by Plaintiff in the operative complaint in the Lawsuit.
- 24. "PAGA Payment" means the payment of penalties pursuant to California Labor Code sections 2968, *et seq.*, the Labor Code Private Attorneys General Act of 2004 ("PAGA"), that the Parties have agreed is a reasonable sum to be paid in settlement of the PAGA claims encompassed by the underlying allegations in the Lawsuit, which is \$80,000.
- 25. "PAGA Period" means the period beginning on January 11, 2020 and ending on the date that is 60 days after the date of mediation or the date of Preliminary Approval, whichever is sooner.
- 26. "Parties" means Plaintiff, individually and on behalf of all Class Members and PAGA Group Members, and Defendant, who are individually referred to as "Party."
  - 27. "Plaintiff" or "Class Representative" means Antonio Delgado.
- 28. "Plaintiff's Released Claims" means that, in addition to the Settlement Class Members' Released Claims and PAGA Group Members' Released Claims, in exchange for the consideration recited in this Settlement Agreement, including but not limited to the Enhancement Payment, Plaintiff, individually, releases, acquits, discharges, and covenants not to sue Defendant and any of the Released Parties for any claim, whether known or unknown, which he has ever had, or hereafter may claim to have, arising during the Class Period, relating to or arising out of any

aspect of his relationship with Defendant. The release by Plaintiff includes a waiver of his individual rights under Section 1542 of the Civil Code of the State of California. The specific terms and details of which are set forth in Paragraph 45.

- 29. "Preliminary Approval Order" means the order to be entered by the Court that preliminarily approves the terms and conditions of this Settlement Agreement, including the content of the Class Notice and Notice Plan, and sets a Final Approval Hearing.
- 30. "Released Parties" means Defendant Intense Lighting, LLC, and its former and present parents, officers, directors, shareholders, employees, agents, attorneys, subsidiaries, divisions, assigns, predecessors, successors, insurers, and all of their respective successors, subsidiaries, assigns, or legal representatives.
- 31. "Response Deadline" means the date forty-five (45) days after the Settlement Administrator mails the Class Notice to Class Members and the last date on which Class Members may submit an opt-out/request for exclusion or object to the settlement.
- 32. "Settlement Administrator" means CPT Group, Inc., the neutral third-party administrator mutually agreed upon by the Parties, subject to approval by the Court.
- 33. "Settlement Class" or "Settlement Class Members" means Class Members who have not submitted a timely and valid Opt-Out/Request for Exclusion pursuant to Paragraph 53.
- 34. "Settlement Class Members' Released Claims" means all claims, during the Class Period, alleged in the operative complaint in the Lawsuit, or that could have been asserted based on the facts, circumstances, transactions, occurrences, acts, omissions, or failures to act alleged by Plaintiff in the operative complaint in the Lawsuit for: (1) failure to pay minimum wages; (2) failure to pay all overtime wages; (3) non-compliant meal periods and/or failure to make premium payments thereon; (4) non-compliant rest breaks and/or failure to make premium payments thereon; (5) failure to provide accurate itemized wage statements; (6) failure to pay all wages in a timely manner and upon separation of employment; (7) failure to keep accurate and complete payroll records; and (8) unfair business practices related to the Settlement Class Members' Released Claims. This release excludes the release of claims not permitted by law. The specific terms and details of which are set forth in Paragraph 44.

35. "Workweek(s)" means a seven-day work week during the Class Period during which, based on Defendant's records, Class Members were actively employed by Defendant and worked during at least a portion of such Workweek in an hourly-paid or non-exempt position in California.

### **RECITALS**

- 26. Procedural History. Plaintiff filed his complaint in the Orange County Superior Court, alleging: (1) failure to pay minimum wages pursuant to Labor Code §§ 1194, 1194.2, 1197, and 1197.1 and the Industrial Welfare Commission ("IWC") Wage Orders; (2) failure to pay overtime pursuant to Labor Code §§ 510 and 1198 and the IWC Wage Orders; (3) failure to provide compliant meal periods and/or pay premiums owed thereon in violation of Labor Code §§ 226.7 and 512 and the IWC Wage Orders; (4) failure to provide compliant rest breaks and/or pay premiums owed thereon in violation of Labor Code § 226.7 and the IWC Wage Orders; (5) failure to provide accurate itemized wage statements in violation of Labor Code §§ 226 and 226.3; (6) failure to pay all wages owed timely during employment and upon termination in violation of Labor Code §§ 201-204 and 210; (7) failure to keep requisite payroll records in violation of Labor Code §§ 1174(d); (8) violations of California Business and Professions Code §§ 17200, et seq.; and (9) violation of the Private Attorneys General Act of 2004 ("PAGA"), codified in Labor Code §§ 2698, et seq.
- 37. **Pre-Filing PAGA Notice.** Plaintiff's counsel provided pre-filing written notice to the LWDA and by certified mail to Defendant of the above-identified allegations on behalf of Plaintiff and similarly situated aggrieved employees in accord with the PAGA, California Labor Code §§ 2698, *et seq*.
- 38. <u>Discovery And Investigation</u>. The Parties entered into a tolling agreement prior to the filing of the complaint. Plaintiff's attorneys began their investigation into the at-issue allegations well in advance of filing the complaint and engaged in extensive informal discovery and investigation, and such was sufficient to allow the Parties to evaluate the case prior to settlement. In advance of mediation, the Parties agreed to an informal exchange of information and documents. For example, Class Counsel requested production of and reviewed key information and documents such as the number of putative class members and aggrieved employees, relevant wage and hour policies, time and payroll records, rates of pay, among other things. Class Counsel analyzed time

and payroll records and interviewed Class Members to determine violation rates. The Parties met and conferred at length regarding the information and documents produced.

- 39. <u>Mediation</u>. After having performed extensive investigation and analysis of the legal and factual issues and risks, on August 19, 2021, the Parties participated in a full-day mediation before mediator the Hon. Peter D. Lichtman (Ret.) of Signature Resolution, in an attempt to resolve the Lawsuit. The settlement discussions were conducted at arm's-length. Pursuant to a mediator's proposal, the Parties came to agreement on all material terms of this settlement.
- 40. **Benefits of Settlement.** Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to litigate their disputes through trial and through any possible appeals. Plaintiff has also taken into account the uncertainty and risks of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel are also aware of the burdens of proof necessary to establish liability for the claims asserted in the Lawsuit, both generally and in response to Defendant's defenses thereto, and the difficulties in establishing damages for Class Members. Plaintiff and Class Counsel have also taken into account the extensive settlement negotiations conducted. Based on the foregoing, Plaintiff and Class Counsel have determined that the settlement set forth herein is a fair, adequate and reasonable settlement, and is in the best interests of Class Members and PAGA Group Members.
- 41. <u>Defendant's Reasons for Settlement and Non-Admission</u>. Defendant has concluded that any further defense of this litigation would be protracted and expensive for all Parties. Substantial amounts of time and resources of Defendant have and, unless this settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff, Class Members, and PAGA Group Members. Defendant has also taken into account the risks of further litigation in reaching its decision to enter into this Settlement Agreement. Despite continuing to contend that it is not liable for any of the claims set forth by Plaintiff, Defendant has, nonetheless, agreed to settle in the manner and upon the terms set forth in this Settlement Agreement to put to rest the claims as set forth in the Lawsuit. Defendant has claimed and continues to claim that the Plaintiff's Released Claims, Settlement Class Members' Released Claims, and PAGA Group Members' Released

Claims have no merit and do not give rise to liability. This settlement is a compromise of disputed claims.

42. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this settlement is a fair, adequate and reasonable settlement of this Lawsuit and have arrived at this settlement after extensive arms-length negotiations, taking into account all relevant factors, present and potential. In addition, the mediator may, at his discretion, execute a declaration supporting the settlement and the reasonableness of this settlement, and the Court, may in its discretion, contact the mediator to discuss the settlement and whether or not the settlement is fair and reasonable.

## **TERMS AND CONDITIONS**

**NOW, THEREFORE**, in consideration of the Recitals listed above and the promises and warranties set forth below, and intending to be legally bound and acknowledging the sufficiency of the consideration and undertakings set herein, the Plaintiff, individually and on behalf of others similarly situated, on the one hand, and Defendant, on the other hand, agree that the Lawsuit shall be, and is finally and fully compromised and settled on the following terms and conditions, subject to Court approval:

Agreement of highly disputed claims. Defendant denies each and all of the claims alleged by Plaintiff in the Lawsuit. The Parties enter into this Settlement Agreement to resolve the Lawsuit and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and generally and specifically denies, that it has: violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees, the Class, and/or PAGA Group Members. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant of any such violation(s) or failure(s) to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered

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or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a noncompliance with, federal, state, local or other applicable law. In addition, as set forth herein, the Parties intend this settlement to be contingent upon the Preliminary Approval and Final Approval of this Settlement Agreement; and the Parties do not waive, and instead expressly reserve, their respective rights to prosecute and defend the Lawsuit as if this Settlement Agreement never existed in the event the settlement is not finally approved as set forth herein.

## 44. Release of Claims.

As of the Effective Date, Plaintiff and all Class Members who did not submit valid requests for exclusion from the settlement, for the period from January 11, 2017 and ending on the date that is 60 days after the date of mediation or the date of Preliminary Approval, whichever is sooner, will release and forever discharge Defendant Intense Lighting, LLC, and its former and present parents, officers, directors, shareholders, employees, agents, attorneys, subsidiaries, divisions, assigns, predecessors, successors, insurers, and all of their respective successors, subsidiaries, assigns, or legal representatives (again, the "Released Parties"), from the Settlement Class Members' Released Claims during the Class Period. The Settlement Class Members' Released Claims include all wageand-hour claims contained in the operative complaint in the Lawsuit, or that could have been asserted in the Lawsuit based on the facts, circumstances, transactions, occurrences, acts, omissions, or failures to act alleged by Plaintiff in the operative complaint during the Class Period. The Settlement Class Members' Released Claims include all claims based on allegations for: (1) failure to pay minimum wages; (2) failure to pay all overtime wages; (3) non-compliant meal periods and/or failure to make premium payments thereon; (4) non-compliant rest breaks and/or failure to make premium payments thereon; (5) failure to provide accurate itemized wage statements; (6) failure to pay all wages in a timely manner and upon separation of employment; (7) failure to keep accurate and complete payroll records; and (8) unfair business practices related to the Settlement Class Members' Released Claims. This release excludes the release of claims not permitted by law.

Notwithstanding the foregoing, all Class Members, whether or not they submit a request for exclusion from the settlement, employed by Defendant during the PAGA Period (the "PAGA Group

Members") will receive a PAGA payment and will no longer be able to seek penalties pursuant to the PAGA, arising from any and all claims, for the period from January 11, 2020 and ending on the date that is 60 days after the date of mediation or the date of Preliminary Approval, whichever is sooner, alleged in the operative complaint filed in the Lawsuit, or that could have been asserted based on the facts, circumstances, transactions, occurrences, acts, omissions, or failures to act alleged by Plaintiff in the operative complaint filed in the Lawsuit ("PAGA Group Members' Released Claims").

45. General Release by Plaintiff Only. As of the Effective Date, in addition to the Settlement Class Members' Released Claims and PAGA Group Members' Released Claims, Plaintiff individually, releases, acquits, discharges, and covenants not to sue Defendant and any of the Released Parties for any claim, whether known or unknown, which he has ever had, or hereafter may claim to have, arising during the Class Period relating to or arising out of any aspect of his relationship with Defendant. The release by Plaintiff includes a waiver of his individual rights under Section 1542 of the Civil Code of the State of California states as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Accordingly, if the facts relating in any manner to this Settlement Agreement are found hereafter to be other than or different from the facts now believed to be true, the release of claims contained herein shall be effective as to all unknown claims (again, "Plaintiff's Released Claims"). Plaintiff's Released Claims exclude the release of claims not permitted by law.

46. Payments under the Settlement. In consideration of the mutual covenants and promises set forth herein, Defendant agrees to make a payment under this Settlement Agreement for the Gross Settlement Amount of eight hundred thousand dollars (\$800,000). The Gross Settlement Amount is non-reversionary, subject to increase pursuant to Paragraph 52, and exclusive of employer-side payroll taxes which shall be paid separately. The Parties further agree, subject to Court approval, that the Gross Settlement Amount shall be apportioned as follows:

- a. Plaintiff will apply to the Court for an award of attorneys' fees of no more than thirty-five percent (35%) of the Gross Settlement Amount (*i.e.*, no more than \$280,000) to Class Counsel ("Attorneys' Fees") and for an award of reimbursement of actual litigation costs and expenses up to twenty thousand dollars (\$20,000) to Class Counsel ("Attorneys' Costs"). The Attorneys' Fees and Attorneys' Costs (again, in the aggregate, "Attorneys' Fees and Costs") are included in, and will be paid from, the Gross Settlement Amount. Defendant will not oppose such application.
- b. Plaintiff will also apply to the Court for payment to the Settlement Administrator for the costs of notice and settlement administration not to exceed eighteen thousand dollars (\$18,000) (again, "Administration Costs"). The Administration Costs are included in, and will be paid from, the Gross Settlement Amount. Defendant will not oppose such application.
- c. Plaintiff will apply to the Court for payment in the amount of ten thousand dollars (\$10,000) to Plaintiff (again, "Enhancement Payment"), for his services and responsibilities in prosecuting the Lawsuit. The Enhancement Payment is included in, and will be paid from, the Gross Settlement Amount. Defendant will not oppose such application.
- d. The amount of eighty thousand dollars (\$80,000) is allocated towards penalties pursuant to California Labor Code sections 2698, *et seq.* ("PAGA Payment"), of which the LWDA will be paid in the amount of sixty thousand dollars (\$60,000) ("LWDA Payment") and the amount of twenty thousand dollars (\$20,000) will remain available for distribution on a *pro rata* pay periods basis to all PAGA Group Members (*i.e.*, individual recovery depends on each PAGA Group Member's ratio of his or her pay periods relative to the total of pay periods of all PAGA Group Members) who worked during the PAGA Period, and irrespective of whether he or she is a Settlement Class Member. The PAGA Payment will be included in, and will be paid from, the Gross Settlement Amount.
- e. The Net Settlement Amount will be the amount that is available for distribution to Settlement Class Members on a *pro rata* basis based on Workweeks. The Settlement Administrator will determine each Settlement Class Member's individual Workweeks in accordance with Paragraph 35. The sum of all Settlement Class Members' individual Workweeks will be the

"Total Workweeks." The Net Settlement Amount will be divided by the Total Workweeks to yield the "Workweek Value." Each Settlement Class Member's Individual Settlement Share will be determined by multiplying his or her individual Workweeks by the Workweek Value.

- f. The net payment of each Settlement Class Member's Individual Settlement Share (after reduction of Employee Taxes) and individual PAGA payment (if applicable) is referred to as his or her Individual Settlement Payment.
- Members, and PAGA Group Members under this Settlement Agreement shall not be utilized to calculate any additional benefits under any benefit plans to which they may be eligible, including, but not limited to, under profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which Plaintiff, Settlement Class Members, and PAGA Group Members, may be entitled under any benefit plans.

# 48. <u>Taxation of Settlement Proceeds.</u>

- a. The Parties agree that twenty percent (20%) of each Individual Settlement Share will be considered taxable wages and will be reported as such to each Settlement Class Member on a W-2 Form. The Parties agree that eighty percent (80%) of each Individual Settlement Share will be considered interest and penalties and will be reported as such to each Settlement Class Member on an IRS Form 1099 (if required).
- b. The Settlement Administrator shall calculate and remit to applicable taxing authorities sufficient amounts for the Employee and Employer Taxes. Any funds returned by taxing authorities due to cancellation of any Individual Settlement Payment checks will be transmitted in accordance with Paragraph 56(d), the same as all other residual funds associated with Individual Settlement Payment checks.
- c. The Settlement Administrator will issue appropriate tax forms to each Settlement Class Member consistent with the foregoing breakdown.

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- d. Circular 230 Disclaimer. Each of the Parties acknowledges and agrees that (1) no provision of this Settlement Agreement, and no written communication or disclosure between or among the Parties or their counsel and other advisors, is or was intended to be tax advice within the meaning of United States Treasury Circular 230 (31 CFR part 10, as amended), nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice; (2) each of the Parties (a) has relied exclusively upon his, her, or its own, independent legal and tax advisors for advice (including tax advice) in connection with this Settlement Agreement, (b) has not entered into this Settlement Agreement based upon the recommendation of any of the other Parties or any counsel or advisor to any of the other Parties, and (c) is not entitled to rely upon any communication or disclosure by any other counsel or advisor to any of the other Parties to avoid any tax penalty that may be imposed on any of the Parties; and (3) no attorney or advisor to any other Party has imposed any limitation that protects the confidentiality of any such attorney's or advisor's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by any of the Parties of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Settlement.
- e. Class Counsel will be issued an IRS Form 1099 for Attorneys' Fees and Costs awarded by the Court. Except as provided herein, each of the Parties shall bear his, her, their, or its own attorneys' fees, costs, and expenses incurred in the prosecution, defense, or settlement of the Lawsuit.
- f. Plaintiff will be issued an IRS Form 1099 for any Enhancement Payment.

  The Enhancement Payment payable to Plaintiff shall be in addition to the Individual Settlement Payment he is contemplated to receive under this Settlement Agreement.

# 49. **Notice Procedure.**

- a. The Parties shall use CPT Group, Inc. as the Settlement Administrator to distribute the Class Notice, distribute payments under this Settlement Agreement, handle tax reporting, establish and host a dedicated case settlement website, and field questions with a telephonic hotline.
  - b. Defendant will provide the Settlement Administrator with the Class List within

ten (10) calendar days following the date of Preliminary Approval. The Class List and any other data provided by Defendant to the Settlement Administrator shall be treated as confidential and shall not be used by the Settlement Administrator for any purpose other than as permitted by this Settlement Agreement. The Settlement Administrator will keep the list confidential, use it only for the purposes described herein, and ensure that any other communications with Class Members shall not include the Class Members' Social Security number except for the last four digits.

- c. The Settlement Administrator shall be responsible for:
- i. Mailing the Class Notice to the Class Members as directed by the Court;
- ii. Consulting with counsel for the Parties concerning any relevant issue(s), including (without limitation) the estimated amounts of Individual Settlement Shares and Individual Settlement Payments;
- iii. Receiving and processing Workweek Disputes and rejecting timely or improper Workweek Disputes;
- iv. Keeping track of Requests for Exclusion, and rejecting untimely or improper Requests for Exclusion;
  - v. Keeping track of Objections that it receives;
- vi. Calculation and distribution of payments in accordance with this Settlement Agreement and the Court's orders;
- vii. Providing weekly status reports to counsel for the Parties, including:
  (a) the number of Class Notices mailed; (b) the number of Workweek Disputes received; (c) the number of Objections received; and (d) the number of Requests for Exclusion received;
- viii. No later than twenty-one (21) calendar days before the Final Approval Hearing, preparing and providing to Class Counsel and Defendant's Counsel, for filing with the Court in support of Plaintiff's motion for final approval of the settlement, a declaration of due diligence setting forth its compliance with its obligations under this Settlement Agreement;

ix. Notifying Defendant's Counsel, within three (3) business days after the Effective Date, of the wiring instructions to fund the Gross Settlement Amount, which must be paid by Defendant in the amounts and in accordance with the deadlines set forth in Paragraph 56(a);

- x. Distributing payments due under this Settlement Agreement;
- xi. Issuing a W-2 Form to each Settlement Class Member for the wage portion of each Individual Settlement Share, a 1099 Form (if required) to each Settlement Class Member for the non-wage portion of each Individual Settlement Share, a 1099 Form (if required) to each PAGA Group Member, a 1099 Form to Plaintiff for the Enhancement Award, a 1099 Form to Class Counsel for the Attorneys' Fees and Costs award, and a 1099 Form to the Settlement Administrator for all Administration Costs; and,
- xii. Such other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform, including responding to questions from Class Members.
- d. Within twenty (20) calendar days after Preliminary Approval, the Settlement Administrator shall mail the Class Notice to all persons shown by Defendant's records to be Class Members, as reflected in the Class List, via first class U.S. mail, using the most current mailing address available after a National Change of Address search. The Class Notice shall state an estimate of each Class Member's respective Individual Settlement Share and the number of Workweeks and pay periods (if applicable) credited to him or her.
- e. Any Class Notice(s) returned to the Settlement Administrator as undelivered within fifteen (15) calendar days of initial mailing and bearing a forwarding address shall be remailed by the Settlement Administrator within three (3) business days following receipt of the returned mail. For any such Class Notice returned to the Settlement Administrator without a forwarding address, the Settlement Administrator shall first conduct a National Change of Address search as required for undeliverable notices, followed by a "skip trace" search to obtain an updated address, and shall promptly re-mail the Class Notice to any newly-found address or addresses. The Settlement Administrator shall also re-mail by first class U.S. mail any such Class Notice returned by the Post Office with a forwarding address. It shall be conclusively presumed that those Class Members whose re-mailed Class Notice is not returned to the Settlement Administrator as

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undeliverable within five (5) calendar days after re-mailing, received the Class Notice.

- f. Class Counsel shall provide the Court with a declaration from the Settlement Administrator confirming that the Class Notice was mailed to all Class Members as required by this Settlement Agreement, as well as any additional information Class Counsel deems appropriate to provide to the Court, before the Final Approval Hearing.
- 50. Settlement Payments. Class Members and PAGA Group Members are not required to submit a claim form to receive a settlement payment.

#### 51. **Submission of Workweek Disputes.**

- If any Class Member disputes the Workweeks set forth on the Class Notice a. during the Class Period ("Workweek Dispute"), the Class Member may submit documentation supporting his or her position by mail to the Settlement Administrator no later than forty-five (45) calendar days from the date the Class Notice is originally mailed by the Settlement Administrator, ("Response Deadline"). Workweek Disputes not postmarked or confirmed received by the Settlement Administrator on or before the Response Deadline will be considered late and may be summarily rejected by the Settlement Administrator, in consultation with Class Counsel and Defendant's Counsel.
- b. The Settlement Administrator will notify counsel for the Parties via email. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Parties and the Settlement Administrator will evaluate the evidence and discuss in good faith how many Workweeks to be credited and in conformity with Paragraph 46(e). If the Parties and the Settlement Administrator do not reach agreement, the Court will make the final determination as to how many Workweeks should be credited.
- 52. Pro-Rata Increase of Gross Settlement Amount. At the time of mediation, Defendant's best estimate of the total number of Workweeks for the Class was 26,500, and its best estimate for the number of pay periods worked by PAGA Group Members was 4,500. Plaintiff is entering into this Settlement Agreement based on such representations. In the event it is determined that the actual number of Workweeks and PAGA pay periods together exceeds their combined estimates by more than 10 percent as of the end of the Class Period, the Gross Settlement Amount

shall increase by 1 percent for every 1 percent increase in the combined Workweeks and PAGA pay periods estimates as of mediation over the 10 percent threshold as of the end of the Class Period.

# 53. Opt-Out Procedure.

- a. Class Members will have forty-five (45) days until the Response Deadline to mail by first class U.S. mail, with proof of date of submission to be the postmark date, a written request to opt out of the settlement ("Request for Exclusion"). Unless a Class Member submits a timely and valid Request for Exclusion, he or she shall be bound by the terms and conditions of this Settlement Agreement, including the release of claims as set forth herein.
- b. A Request for Exclusion, in order to be deemed valid, must: (1) be signed by the Class Member; (2) contain the case name and number of the Lawsuit; (3) contain the Class Member's full name, telephone number, mailing address and last four digits of the Class Member's Social Security Number; (4) clearly state that the Class Member wants to opt out of the settlement.; and (5) be postmarked no later than the Response Deadline.
- c. Upon receipt of any timely Request for Exclusion, the Settlement Administrator shall review the request to verify the information contained therein and confirm that the request complies with the requirements of this Settlement Agreement.
- d. Any Class Member who fails to submit via first class U.S. mail a timely, complete, and valid Request for Exclusion shall be barred from opting out of the settlement. The Settlement Administrator shall not review or consider any Request for Exclusion postmarked after the Response Deadline. Under no circumstances shall the Settlement Administrator have the authority to extend the Response Deadline for Class Members to file a Request for Exclusion, except as ordered by the Court or mutually agreed by the Parties.
- e. Neither the Parties nor their respective counsel will solicit or otherwise encourage any Class Member, directly or indirectly, to submit a Request for Excluded from the settlement, object to the settlement, or appeal from the Judgment.
  - f. Plaintiff agrees not to request to be excluded from the settlement.

## 54. **Defendant's Right To Cancel.**

If more than five percent of the Class Members submit a timely and valid Request for Exclusion, Defendant shall have the sole and absolute discretion to withdraw from this Settlement Agreement within twenty-one (21) calendar days after the Response Deadline by providing written notice of such withdrawal to Class Counsel. In the event that Defendant elects to withdraw as set forth in this provision, the withdrawal shall have the same effect as a termination of this Settlement Agreement; the settlement shall become null and void and have no further force or effect. If Defendant exercises its option to terminate this settlement pursuant to this section, it shall pay all Administration Costs incurred up to the date and as a result of the termination.

## 55. **Objections to Settlement.**

- a. Any Settlement Class Member may object to the settlement by mailing a written objection ("Objection") to the Settlement Administrator. To be timely, Objections must be mailed to the Settlement Administrator, postmarked on or before the Response Deadline.
- b. An Objection must: (1) be signed by the Class Member; (2) contain the case name and number of the Lawsuit; (3) contain the Class Member's full name, telephone number, and mailing address; (4) clearly state the factual and legal basis for objecting to the settlement; (5) indicate whether the Class Member is represented by counsel and identify said counsel; and (6) indicate whether the Class Member intends to appear at the Final Approval Hearing and seeks to be heard at the Final Approval Hearing. The Settlement Administrator will provide the Parties' counsel with any objections received and also attach the objections as exhibits to its declaration regarding due diligence that will be filed with the Court in advance of the Final Approval Hearing.
- c. Settlement Class Members have the right to appear and have their Objections heard or offer comments at the Final Approval Hearing, either in person or through a lawyer retained at their own expense. Class Counsel will not represent any Settlement Class Members with respect to such Objections.

## 56. Settlement Proceeds Distribution Deadlines.

a. Defendant shall fund the Gross Settlement Amount within twenty-one (21) business days after the Effective Date. If the Gross Settlement Amount increases pursuant to Paragraph 52, then the amount to be paid by Defendant will proportionally increase.

- b. Prior to disbursement of any funds, the Settlement Administrator will provide a disbursement summary of the calculations for the Enhancement Payment to Plaintiff, payment of Attorneys' Fees and Costs to Class Counsel, LWDA Payment, Administration Costs payment, and payment of Individual Settlement Payments to Settlement Class Members and PAGA Group Members for review and approval by Class Counsel and Defendant's Counsel.
- c. No later than ten (10) calendar days after Defendant fully funds the Gross Settlement Amount, the Settlement Administrator shall distribute payments in accordance with this Settlement Agreement and the Court's orders, as follows: (i) payment of the Enhancement Payment to Plaintiff; (ii) payment of the LWDA Payment to the Labor and Workforce Development Agency ("LWDA"); (iii) payment of Individual Settlement Payments to Settlement Class Members and PAGA Group Members; (iv) payment of Attorneys' Fees and Costs to Class Counsel; and (v) payment of Administration Costs to the Settlement Administrator.
- d. Settlement checks will be valid for a period of one hundred and eighty (180) calendar days from the date of issuance, and after this time period, any uncashed check(s) will be cancelled and the funds associated with such cancelled checks will be transmitted to *cy pres* in conformity with the requirements of California Code of Civil Procedure section 384.
- e. The remittance of all Court ordered and approved payments, under this Settlement Agreement, to the Settlement Administrator shall constitute the full and complete discharge of the entire obligation of Defendant under this Settlement Agreement.
- f. No person shall have any claim against the Settlement Administrator, Defendant, Class Counsel, Defendant's Counsel, or any other agent designated by Plaintiff or Defendant based upon the distribution of payments made in accordance with this Settlement Agreement or further orders of the Court.
- g. Defendant shall not be obligated to make any payments contemplated by this Settlement Agreement prior to the Effective Date.

## 57. **Binding Effect.**

a. Subject to Final Approval, all Settlement Class Members shall be bound by this Settlement Agreement, the contemplated Final Approval Order and Judgment, the release of

STIPULATION OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT

59.	<u>Non-Interference with Settlement Administration</u> . The Parties and their counse
agree that they	shall not seek to solicit or otherwise encourage Class Members to submit Requests
for Exclusion	or Objections to the settlement or to appeal from the Final Approval Order and
Judgment.	

60. **Final Approval Order and Judgment.** Plaintiff will request, and Defendant will concur in said request, that the Court enter, after the Final Approval Hearing, a Final Approval Order and Judgment drafted by Plaintiff in the form that is consistent with this Settlement Agreement and subject to prior review and approval by Defendant. Plaintiff will request that the Final Approval Order and Judgment find that this settlement is fair, just, equitable, reasonable, adequate and in the best interests of the Class, enter judgment in accordance with California Rules of Court 3.769, and require the Parties to carry out the provisions of this Settlement Agreement.

# 61. Voiding of Settlement Agreement if Settlement Not Finalized or for Failure to Satisfy Conditions.

- a. The Court may award less to Plaintiff, Class Counsel, Settlement Administrator, and/or the LWDA than is provided for herein, without impacting the validity and enforceability of this Settlement Agreement.
- b. If for any reason the settlement set forth in this Settlement Agreement is terminated as provided under this Paragraph or Paragraph 54 or does not otherwise become final:
- i. The settlement shall be null and void and the orders and judgment to be entered pursuant to this Settlement Agreement shall be vacated; and the Parties will be returned to the status quo as of January 11, 2021, with respect to the Lawsuit and Plaintiff's class and representative claims, as if the Parties had never entered into this Settlement Agreement.
- ii. This Settlement Agreement and all negotiations, court orders and proceedings relating thereto shall be without prejudice to the rights of any and all Parties hereto and Class Members, whom shall be restored to their respective positions existing prior to the execution of this Settlement Agreement, and evidence relating to this Settlement Agreement and all negotiations shall not be admissible or discoverable in the litigation and/or Lawsuit or otherwise.

- Modification in Writing. This Settlement Agreement may be altered, amended, modified or waived, in whole or in part, only in a writing signed by counsel for the Parties and approved by the Court. This Settlement Agreement may not be amended, altered, modified or waived, in whole or in part, orally.
- 65. <u>Ongoing Cooperation</u>. Plaintiff and Defendant and each respective counsel shall execute all documents and perform all acts necessary and proper to effectuate the terms of this Settlement Agreement. The executing of documents must take place prior to the Final Approval Hearing.
- 66. <u>Binding on Successors</u>. This Settlement Agreement shall be binding and shall inure to the benefit of the Parties and their respective successors, assigns, executors, administrators, heirs, and legal representatives.
- 67. **Entire Agreement.** This Settlement Agreement constitutes the full, complete, and entire understanding, agreement, and arrangement between the Parties with respect to the settlement of the Lawsuit and Release of Claims. This Settlement Agreement supersedes any and all prior oral or written understandings, agreements, and arrangements between the Parties with respect to the settlement of the Lawsuit and Release of Claims. Except as to those set forth and included expressly in this Settlement Agreement, there are no other agreements, covenants, promises, representations, or arrangements between the Parties with respect to the settlement of the Lawsuit.
- 68. **Execution in Counterparts.** This Settlement Agreement may be signed in one or more counterparts and electronic signatures are acceptable. All executed copies of this Settlement Agreement, and photocopies thereof (including facsimile copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.
- 69. <u>Captions</u>. The captions and section numbers in this Settlement Agreement are inserted for the reader's convenience and in no way define, limit, construe, or describe the scope or intent of the provisions of this Settlement Agreement.

- 70. <u>Governing Law.</u> This Settlement Agreement shall be interpreted, construed, enforced, and administered in accordance with the laws of the State of California, without regard to conflict of law rules.
- 71. **Reservation of Jurisdiction.** Notwithstanding entry and filing of the Final Approval Order and Judgment, the Court shall retain jurisdiction for purposes of interpreting and enforcing the terms of this Settlement Agreement.
- Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement shall not be construed more strictly against one Party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.
- 73. Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement and that this Settlement Agreement has been executed with the consent and advice of counsel. Further, Plaintiff and Class Counsel warrant and represent, to their knowledge, that there are no liens on this settlement.
- Warranties and Representations. With respect to themselves, each of the Parties to this Settlement Agreement and/or their agents or counsel represent, covenant, and warrant that (a) they have full power and authority to enter into and consummate all transactions contemplated by this Settlement Agreement and have duly authorized the execution, delivery, and performance of this Settlement Agreement and (b) the person executing this Settlement Agreement has the full right, power, and authority to enter into this Settlement Agreement on behalf of the Party for whom he/she/it has executed this Settlement Agreement, and the full right, power, and authority to execute any and all necessary instruments in connection herewith, and to fully bind such Party to the terms and obligations of this Settlement Agreement.
  - 75. **Confidentiality.**

- a. The Plaintiff and Class Counsel agree not to discuss the settlement amounts, the terms of the Settlement Agreement, or any of the issues discussed during mediation or surrounding terms of the settlement or the amounts provided therein until the date of the filing of the Motion for Preliminary Approval.
- b. Following Preliminary Approval, Plaintiff and Class Counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about this case or the facts, amount, or terms of the Settlement Agreement. In addition, Plaintiff and Class Counsel agree that they will not engage in any advertising or distribute any marketing materials relating to the settlement, including but not limited to any postings on any websites maintained by Class Counsel; provided, however, that Class Counsel may state that they have settled a class action claim against a manufacturing company so long as neither Defendant, nor the Plaintiff are identified by name or any other information that could make their true identity discoverable.
- 76. **No Prior Assignments.** The Parties hereto represent, covenant, and warrant that they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights released and discharged by this settlement.
- 77. <u>Signatures of All Class Members Unnecessary to be Binding</u>. It is agreed that, because the members of the Class are numerous, it is impossible or impractical to have each Class Member execute this Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the release provided herein and such shall have the same force and effect as if this Settlement Agreement were executed by each Class Member.
- This settlement is the result of a good faith compromise of disputed claims, and neither it nor any statement or conduct in furtherance of the settlement, shall be offered or construed to be an admission or concession of any kind by any Party. In particular, but without limiting the generality of the foregoing, nothing about this settlement shall be offered or construed as an admission of liability, wrongdoing, impropriety, responsibility, or fault whatsoever by Defendant, who expressly denies any liability,

1	wrongdoing, impropriety, responsibility, or fault whatsoever. Additionally, and without limiting the						
2	generality of the foregoing, nothing about this settlement shall be offered or construed as an						
3	admission or evidence of the propriety or feasibility of certifying a class in this action or any other						
4	action for adversarial, rather than settlement purposes.						
5	79. <u>Interim Stay of Proceedings</u> . The Parties agree that the application of Code of Civil						
6	Procedure section 583.310 is stayed from now through the date of entry of the Final Approval or the						
7	date upon which this settlement becomes null and void. Accordingly, pursuant to Code of Civil						
8	Procedure section 583.330, the Parties stipulate that the time within which this action must be						
9	brought to trial is stayed. The Parties agree to refrain from further litigation of this matter among						
10	themselves, except as to such proceedings necessary to implement and obtain the Final Judgment.						
11	The Parties further agree that the mutual, voluntary cessation of litigation as between Plaintiff and						
12	Defendant shall terminate if the motion for final approval of the settlement is denied by the Court						
13	or the settlement is otherwise denied approval by the Court.						
ا 14							
15	IT IS SO AGREED:						
16							
ا 17	Dated: 12/21/2021 , 2021						
18	Plaintiff Antonio Delgado						
19							
20	Dated:, 2021						
21	Name: Title:						
22	On Behalf of Defendant Intense Lighting, LLC						
23	APPROVED AS TO FORM						
24							
25	Dated: <u>December 21</u> , 2021 <u>Anthony J. Orshansky</u> Anthony J. Orshansky, Esq.						
26	Jennifer L. Connor, Esq. CounselOne, PC						
27	Attorneys for Plaintiff and Class Representative						
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	26 STIPULATION OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT						

1	wrongdoing, impropriety, responsibility, or fault whatsoever. Additionally, and without limiting the						
2	generality of the foregoing, nothing about this settlement shall be offered or construed as an						
3	admission or evidence of the propriety or feasibility of certifying a class in this action or any other						
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8	Procedure section 583.330, the Parties stipulate that the time within which this action must be						
9	brought to trial is stayed. The Parties agree to refrain from further litigation of this matter among						
10	themselves, except as to such proceedings necessary to implement and obtain the Final Judgment.						
11	The Parties further agree that the mutual, voluntary cessation of litigation as between Plaintiff and						
12	Defendant shall terminate if the motion for final approval of the settlement is denied by the Court						
13	or the settlement is otherwise denied approval by the Court.						
14							
15	IT IS SO AGREED:						
16							
17	Dated:, 2021						
18	Plaintiff Antonio Delgado						
19	- inhibit						
20	Dated: 12/2//21, 2021 Unt Long						
21	Name: Vincent Lowigro						
22	On Population Defendant Internal Line III						
23	On Behalf of Defendant Intense Lighting, LLC  APPROVED AS TO FORM						
24	ATTROVED AS TO FORM						
25	Dated:, 2021						
26	Anthony J. Orshansky, Esq. Jennifer L. Connor, Esq. CounselOne, PC						
27							
28	Attorneys for Plaintiff and Class Representative						
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- 11	STIPULATION OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT						

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3				James P. Carter, Esq. J. Andrew Schaffer, Esq. Jackson Lewis, PC
4				Attorneys for Defendant 4876-2400-0775, v. 1
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STIPULATION OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT