

Class Action Settlement Agreement

Jeran Jaurigue and Rudy Murrieta v. Knights of Columbus

Case No. CIVDS18245088

This Class Action Settlement Agreement (hereinafter the “Agreement”) is made by Plaintiffs Jeran Jaurigue and Rudy Murrieta (“Plaintiffs”), individually and as representatives of the Settlement Class, as defined below, on the one hand, and Defendant Knights of Columbus (“KOC”) on the other hand. Plaintiffs and KOC will, at times, be collectively referred to herein as “the Parties.”

This Agreement is subject to the approval of the Court, pursuant to California Rules of Court, Rule 3.769(c), (d) and (e), and is made for the sole purpose of attempting to consummate settlement of the Action on a class-wide basis subject to the following terms and conditions. As detailed below, in the event the Court does not enter an order granting final approval of the Class Settlement, as defined below, or the conditions precedent are not met for any reason, this Stipulation is void and of no force or effect whatsoever.

I. DEFINITIONS

The following are certain definitions applicable to this Agreement. Definitions contained elsewhere in the body of this Agreement shall also be effective.

1. “**Agreement**” shall mean this Class Action Settlement Agreement, including any attached exhibits.

2. “**Class**” – means all persons who are or have been contracted by Defendant in California as Field Agents at any time during the Settlement Period (“Class Members”). Defendant represents that the Class consists of approximately 170 Class Members (the “**Settlement Period**”, as defined below, is September 18, 2014 through preliminary approval).

3. “**Class Counsel**” – means Craig J. Ackermann of Ackermann & Tilajef, P.C. and Jonathan Melmed of Melmed Law Group P.C.

4. “**Class Counsel Attorneys’ Fees**” – refers to the amount Class Counsel’s attorneys’ fees incurred in connection with the Action, paid from the Gross Settlement Fund, subject to the Court’s approval.

5. “**Class Representatives**” – means Plaintiffs Jeran Jaurigue and Rudy Murrieta.

6. “**Class Representative Enhancement**” – means the amount that the Court authorizes to be paid to Plaintiffs, Jeran Jaurigue and Rudy Murrieta, in addition to their Individual Settlement Amounts, in recognition of their efforts and risks in assisting with the prosecution of the Action and in exchange for their executing a general release.

7. “**Claims**” – means the claims asserted in the First Amended Complaint filed in or around October, 2019 that are alleged against Defendant: (1) willful misclassification (Labor Code § 226.8), (2) failure to reimburse business expenses (Labor Code § 2802), (3) failure to provide complete wage statements (Labor Code §§ 226, 226.3); (4) Unlawful Deductions (Labor Code § 221), (5) Waiting Time Penalties (Labor Code §§ 201 – 203), (6) UCL Violations (bus. & prof. code §§ 17200-17204); and (7) PAGA and other penalties (labor Code §§ 2698 – 2699.5).

8. “**Defendant**” or “**KOC**” – means Knights of Columbus.

9. “**Effective Date**” – means the date by which both of the following have occurred: (a) this Settlement is finally approved by the Superior Court for the County of San Bernardino; and (b) the Court’s Order Approving Class Settlement and Dismissing the Class Action with Prejudice (“Final Judgment”) becomes Final.

10. “**Final**” – means the latest of: (a) if there is an appeal of the Superior Court’s Final Judgment in the Litigation, the date of final affirmance on an appeal or the date of dismissal of

such appeal; or (b) if one or more objections are submitted and not withdrawn, the expiration date of the time for filing or noticing any appeal of the Final Judgment; or (c) if no objections are made, the date the Court enters the Final Judgment.

11. “Final Approval Hearing” – means the hearing to be conducted by the Superior Court for the County of San Bernardino to ascertain the fairness, reasonableness, and adequacy of the Agreement, and to determine whether to enter the Final Judgment finally approving and implementing the terms of this Agreement.

12. “Final Judgment” – refers to the Final Judgment and Order Approving Class Settlement.

13. “Gross Settlement Fund” – refers to Five Hundred Twenty Five Thousand Dollars (\$525,000), which is the maximum amount KOC shall be required to pay under this Agreement, except as otherwise provided with respect to the employer’s share of payroll taxes (as stated in Section III, Paragraph 2). The \$525,000 Gross Settlement Fund shall consist of the following elements: (a) Class Counsel Attorneys’ Fees; (b) Litigation Costs and Expenses; (c) Class Representative Enhancement; (d) Settlement Administration Expenses; (e) PAGA Payment; and (f) Net Settlement Fund, as defined below.

14. “Individual Settlement Amount” – means the amount which is payable to each Settlement Class Member from the Net Settlement Fund if the Settlement is approved and without the need to submit a claim.

15. “Litigation” or “Action”– means the action entitled *Jeran Jaurigue, et al. v. Knights of Columbus*, pending in the San Bernardino County Superior Court as case number CIVDS1824508, and all causes of action, claims and allegations contained therein.

16. “Litigation Costs and Expenses” – means the amount awarded to Class Counsel to reimburse them for the costs and expenses incurred in the prosecution of the Action, not to exceed \$15,000, paid from the Gross Settlement Fund, subject to the Court's approval.

17. “LWDA” – means the California Labor and Workforce Development Agency.

18. “Motion for Preliminary Approval” – refers to the Motion for Preliminary Approval of the Settlement and its supporting papers.

19. “Net Settlement Fund” – means the Gross Settlement Fund, less all of the following: (a) Class Counsel Attorneys’ Fees; (b) Litigation Costs and Expenses; (c) Class Representative Enhancement; (d) Settlement Administration Expenses; and (e) PAGA Payment to the LWDA.

20. “Notice” – refers to the Notice of Pendency of Putative Class Action, Proposed Settlement and Hearing Date for Court Approval, substantially in the form attached hereto as **Exhibit A**, or as otherwise approved by the Court, which shall be mailed to the Class Members, along with the Settlement Allocation Form (defined below).

21. “Order Granting Preliminary Approval” – refers to the order or statement of decision preliminarily approving the Settlement.

22. “PAGA Payment” – means the penalties pursuant to California Labor Code sections 2698, 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 included in the Action, which is \$20,000.00. The PAGA Payment is to be approved by the Court pursuant to Labor Code section 2699 and is to be distributed as follows: seventy-five percent (75%) (*i.e.*, \$15,000) to the LWDA and twenty-five percent (25%) (*i.e.*, \$5,000) to the Settlement Class

Members. Class Counsel shall give timely notice of the Class Settlement to the LWDA under Labor Code section 2699(1)(2).

23. “PAGA Payment to the LWDA” refers to the 75% portion of the PAGA Payment that shall be distributed to the California Labor and Workforce Development Agency (“LWDA”).

24. “Parties” – means Plaintiffs Jeran Jaurigue and Rudy Murrieta, in both their individual capacities and their capacities as Class Representatives; and Defendant Knights of Columbus, a Connecticut Corporation. (“KOC”).

25. “Plaintiffs” – means Plaintiffs Jeran Jaurigue and Rudy Murrieta, in both their individual capacities and their capacities as Class Representatives.

26. “Preliminary Approval Hearing” – means the hearing to be conducted by the Superior Court for the County of San Bernardino to determine whether to grant the Motion for Preliminary Approval.

27. “Settlement” – means the settlement of the Litigation and related claims effectuated by this Agreement.

28. “Settlement Administration Expenses” – means those expenses of effectuating and administering the Settlement, i.e., the costs incurred by the Settlement Administrator, the costs of giving notice to the Class, the costs of administering and disbursing the Net Settlement Fund, and the fees of the Settlement Administrator approved by the Court; the Settlement Administration Expenses are anticipated not to exceed \$10,000.00.

29. “Settlement Administrator” – means or refers to CPT Group, Inc., or another administrator agreeable to the Parties, and who will be responsible for administration of the Settlement and related matters.

30. “Settlement Allocation Form” shall mean the Settlement Allocation Form, as set forth in the form of **Exhibit B** attached hereto, or as otherwise approved by the Court, which is to be mailed to Class Members along with the Notice.

31. “Settlement Class” – means all those persons who are members of the Class and who have not properly and timely opted out of the Litigation.

32. “Settlement Class Member(s)” – means any person who is included in the Settlement Class.

33. “Settlement Payments” – means the amounts to be paid from the Net Settlement Fund to individual Settlement Class Members.

34. “Settlement Period” – means the period from September 18, 2014 through preliminary approval.

II. THE LITIGATION

1. On September 18, 2018, Plaintiff Jaurigue filed a class action complaint in the San Bernardino County Superior Court entitled *Jeran Jaurigue, et al. v. Knights of Columbus, a Connecticut corporation*, case number CIVDS1824508, on behalf of himself and a proposed class consisting of allegedly similarly situated individuals, in which he asserted various wage and hour causes of action. In October, 2019, Plaintiffs filed their First Amended Complaint alleging claims for: (1) willful misclassification (Labor Code § 226.8), (2) failure to reimburse business expenses (Labor Code § 2802), (3) failure to provide complete wage statements (Labor Code §§ 226, 226.3); (4) Unlawful Deductions (Labor Code § 221), (5) Waiting Time Penalties (Labor Code §§ 201 – 203), (6) UCL Violations (bus. & prof. code §§ 17200-17204); and (7) PAGA and other penalties (labor Code §§ 2698 – 2699.5).

2. Plaintiffs worked as insurance salespersons (*i.e.*, Field Agents) for Defendant Knights of Columbus with job duties that included travelling throughout San Bernardino and elsewhere in California for client meetings, sales pitches, and/or required job training and staff meetings. The crux of Plaintiffs' allegations is that they and other Field Agents should have been classified as employees, rather than independent contractors, and reimbursed for the necessary business expenses that they incurred. These business expenses included, but were not limited to: cell phone expenses, mileage, auto-maintenance costs, and laptop/home office expenses. Given that Plaintiffs and Class Members appear to meet the standards for outside salespersons, Plaintiffs did not bring any wage or meal and rest break claims.

3. **Discovery, Investigation, Motion Practice and Research.** Class Counsel has conducted significant discovery during the prosecution of the Action. This discovery, investigation, and prosecution has included, among other things, (a) over a dozen telephonic conferences with Plaintiffs; (b) inspection and analysis of hundreds of pages of documents and other information produced by Plaintiffs and Defendant; (c) analysis of the legal positions taken by Defendant; (d) investigation into the viability of class treatment of the claims asserted in the Action; (e) analysis of potential class-wide damages, including information sufficient to understand Defendant's potential defenses to Plaintiffs' claims; (f) research of the applicable law with respect to the claims asserted in the Complaint and First Amended Complaint and the potential defenses thereto; and (g) assembling and analyzing of data for calculating damages. In addition, the Parties have determined that the estimated size of the Settlement Class is approximately 170 Class Members.

4. The Class Representatives have vigorously prosecuted this case, and Defendant has vigorously contested it. The Parties have engaged in sufficient investigation and discovery to

assess the relative merits of the claims of the Class Representative and of Defendant's defenses to them.

5. Allegations of the Class Representative and Benefits of Class Settlement. The extensive discovery conducted in this matter, as well as discussions between counsel, have been adequate to give the Class Representative and Class Counsel a sound understanding of the merits of their positions and to evaluate the worth of the claims of the Settlement Class. The discovery conducted in this Action and the information exchanged by the Parties through discovery and settlement discussions are sufficient to reliably assess the merits of the Parties' respective positions and to compromise the issues on a fair and equitable basis.

6. Of particular significance, Defendant produced during the discovery process a purportedly enforceable arbitration agreement and class action waiver signed by Plaintiffs and Field Agents. While Plaintiffs are confident in the substantive merits of their claims, the procedural risk of individualized arbitration suggested that a PAGA claim would be the best alternative for recourse. Accordingly, Plaintiffs added a PAGA representative action on behalf of themselves, the State of California's Labor Workforce Development Agency ("LWDA"), and similarly-situated Aggrieved Employees seeking civil penalties. The existence of a purportedly enforceable arbitration agreement and class action waiver, nevertheless, was of due import in Plaintiffs' and Class Counsel's evaluation of the strengths and weaknesses of proceeding absent a compromise.

7. Plaintiffs and Class Counsel believe that the claims, causes of action, allegations and contentions asserted in the Action have merit. However, Plaintiffs and Class Counsel recognize and acknowledge the expense and delay of continued lengthy proceedings necessary to prosecute the Action against Defendant through trial and through appeals. Class Counsel has taken into account the uncertain outcome of the litigation, the risk of continued litigation in complex

actions such as this, as well as the difficulties and delays inherent in such litigation, and the potential difficulty of obtaining certification of the Action as well as trying the claims of the class. Class Counsel is mindful of the potential problems of proof under, and possible defenses to, the claims alleged in the Action.

8. Class Counsel believes that the Settlement set forth in this Stipulation confers substantial benefits upon Plaintiffs and the Class Members and that an independent review of this Stipulation by the Court in the approval process will confirm this conclusion. Based on their own independent investigation and evaluation, Class Counsel has determined that the Settlement set forth in the Stipulation is in the best interests of Plaintiffs and the Class Members.

9. Defendant's Denials of Wrongdoing and Liability. Defendant has denied and continues to deny each and all of the allegations, claims, and contentions alleged by Plaintiffs in the Action. Defendant has expressly denied and continues to deny all charges of wrongdoing or liability against it arising out of any of the conduct, statements, acts or omissions alleged in the Action. Defendant contends that it complied in good faith with California and federal wage and hour laws and has dealt legally and fairly with Plaintiffs and Class Members. Defendant further denies that, for any purpose other than settling this Action, these claims are appropriate for class or representative treatment. Nonetheless, Defendant has concluded that further proceedings in the Action would be protracted and expensive and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation in order to dispose of burdensome and protracted litigation, to permit the operation of Defendant's business without further expensive litigation and the distraction and diversion of its personnel with respect to matters at issue in the Action. Defendant has also taken into account the uncertainty and risks inherent in any litigation, especially in complex cases such as the Action. Defendant has, therefore,

determined that it is desirable and beneficial to it that the Action be settled in the manner and upon the terms and conditions set forth in this Stipulation.

10. Intent of the Class Settlement. The Class Settlement set forth herein intends to achieve the following: (1) entry of an order approving the Class Settlement; (2) entry of judgment of the Action; (3) discharge of Released Parties from liability for any and all of the Settlement Class Members' Released Claims and Plaintiffs' Released Claims; and (4) discharge of Plaintiffs from liability for any and all claims arising out of the Action.

11. On June 7, 2019, the parties attended a full day of mediation in Los Angeles with mediator Tripper Ortman, Esq. After extensive negotiations and much effort, the Parties agreed to the settlement described herein.

12. This Agreement concerning the settlement is made in compromise of disputed claims. The payment by KOC required by this Agreement shall satisfy all claims alleged in the Litigation, including but not limited to claims for unreimbursed business expenses, penalties, and interest, and shall include payment for PAGA penalties, individual settlement awards, attorneys' fees, litigation costs and expenses, Plaintiffs' class representative enhancement payments, and settlement administration expenses.

13. Because this is a putative class action, this Agreement must receive preliminary and final approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional basis. In the event the Court does not enter Final Judgment, or in the event such Final Judgment does not become Final for any reason, or is modified in any material respect, or in the event the Effective Date, as defined herein, does not occur, this Agreement shall be deemed null and void *ab initio* and shall be of no force or effect whatsoever, and shall not be referred to or utilized for any purpose. KOC denies all of Plaintiffs' claims as to liability and damages as well as Plaintiffs'

class allegations, and representative claims, and does not waive, but rather expressly reserves all rights to challenge all such claims and allegations upon all procedural and factual grounds including the assertion of any and all defenses, if the Final Judgment does not become Final for any reason, or in the event that the Effective Date does not occur.

III. SETTLEMENT TERMS

The Parties agree as follows:

1. Scope of Settlement: The Settlement described herein will resolve fully and finally all Settlement Class Members' Released Claims as described in Section III, Paragraph 9.

2. The Class For Conditional Certification. For the purposes of this Stipulation and the Class Settlement of this Action only, the Parties stipulate to conditional class certification of the Class. Defendant's counsel believes this conditional certification is appropriate because the Settlement Class Members' Released Claims are being compromised without need to establish the elements of those claims on which liability turns.

3. Appointment of Class Counsel. For purposes of this Stipulation and subject to the Court's approval, the Parties hereby stipulate to the appointment of Class Counsel as counsel for the Class and the effectuation of the Class Settlement pursuant to this Stipulation.

4. Maximum Potential Consideration: Subject to Court approval, and in consideration for the release and settlement described in this Agreement, KOC shall pay the Gross Settlement Fund to the Settlement Class Members, Plaintiffs, Class Counsel, the Settlement Administrator, and the LWDA in the manner specified in this Agreement. Payment of the Gross Settlement Fund under the terms described in this Agreement shall be the sole financial obligation of KOC under this Agreement. The Gross Settlement Fund shall be used: (1) to satisfy the claims of all Settlement Class Members, as specified herein; (2) to satisfy the award of Class Counsel

Attorneys' Fees; (3) to satisfy the award of Litigation Costs and Expenses; (4) to satisfy the Class Representative Enhancements; (5) to satisfy Settlement Administration Expenses incurred in this action; and (6) to satisfy the PAGA Payment to the LWDA. The Gross Settlement Fund shall constitute the maximum amount that KOC shall be required to pay under this Agreement. After the court issues an order preliminarily approving this Class Settlement, the Settlement Administrator will distribute the Class Notice to the Class Members, which shall describe the terms of the Class Settlement and procedures to object to, or exclude themselves (opt out) from, the Class Settlement as well as the Share Form, which shall identify the Class Member, the number of weeks that Class Member worked as a contracted Field Agent during the Class Period, as well as an estimated Individual Settlement Amount the Settlement Class Member can expect to receive once the Class Settlement becomes Effective. Class Members shall be given the opportunity to challenge the number of qualifying weeks worked information.

5. Approval of Settlement:

(a) Plaintiffs shall apply for approval of the Settlement as described in Section III, Paragraph 17 of this Agreement for purposes of effectuating this Settlement. Plaintiffs agree not to request more than \$5,000 each as a Class Representative Enhancement. Plaintiffs agree not to seek more than one-third of the Gross Settlement Fund (\$175,000) for Class Counsel Attorneys' Fees, and further agree not to seek more than \$15,000 for Litigation Costs and Expenses. KOC shall not oppose any application by Plaintiffs or Class Counsel for Class Representative Enhancements equal to or less than \$5,000 each (\$10,000 total), Class Counsel Attorneys' Fees equal to or less than \$175,000, and Litigation Costs and Expenses equal to or less than \$15,000.

(b) Should the Superior Court for the County of San Bernardino decline to approve all material aspects of the Settlement or make rulings substantially altering the fundamental terms of

this class settlement, except for the awards of the Class Representative Enhancement, Class Counsel Attorneys' Fees, and Litigation Costs and Expenses (which shall be decided by the Court), KOC shall have no obligation to make any payment, including payment of the Gross Settlement Fund. Further, in that event if KOC has made any payment, such monies shall be returned promptly to KOC.

6. Allocation of Net Settlement Fund Among Settlement Class Members: The Net Settlement Fund will be allocated among Settlement Class Members according to each Settlement Class Member's workweeks during the Settlement Period as a *pro rata* portion of the total combined workweeks of all the Settlement Class Members during the Settlement Period. Specifically, Individual Settlement Amounts to be paid to Settlement Class Members shall be paid from the Net Settlement Fund. The portion of the Net Settlement Fund payable to each Settlement Class Member will be calculated as follows:

The Settlement Administrator shall divide the Net Settlement Fund by the total number of work weeks Settlement Class Members were contracted and worked as Field Agents in California during the Class Period, in order to determine the amount each Settlement Class Member is entitled to for each work week he or she worked for Defendant (the "Weekly Amount").

The Settlement Administrator will multiply the Weekly Amount by the total number of work weeks that each Settlement Class Member worked to arrive at the Individual Settlement Amount for that Settlement Class Member. Defendant will provide the Settlement Administrator with any information reasonably necessary to perform the calculation of number of work weeks for each Settlement Class Member, and any other reasonably required information the Settlement Administrator requests to perform the calculations required under this Stipulation. Defendant shall have no responsibility for deciding the validity of the Individual Settlement Amounts or any other

payments made pursuant to this Stipulation. Moreover, Plaintiffs and Settlement Class Members represent and understand that they shall be solely responsible for any and all tax obligation associated with their respective Individual Settlement Amounts.

7. No Effect on Employee Benefit Plans. Neither the Class Settlement nor any amounts paid under the Class Settlement will modify any previously credited hours, days, or weeks of service under any employee benefit plan, policy or bonus program sponsored by Defendant. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendant's sponsored benefit plans, policies or bonus programs. The payments made under the terms of this Stipulation shall not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any of Defendant's benefit plan, policy or bonus program. Defendant retains the right to modify the language of its benefits plans, policies and bonus programs to effect this intent and to make clear that any amounts paid pursuant to this Stipulation are not for "weeks worked," "weeks paid," "weeks of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purpose of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Stipulation. Defendant does not consider the Class Settlement payments "compensation" for purposes of determining eligibility for, or benefit accrual within, any benefit plans, policies, or bonus programs, or any other plan sponsored by Defendant.

8. Tax Treatment of Payments to Settlement Class Members: The Settlement Payments are payments for all claims asserted in the Litigation or that reasonably could have been asserted based on the causes of action, claims and allegations in the Litigation. Of the amounts paid to individual settlement class members, 1/3 shall be designated as reimbursement for business

expenses, 1/3 shall be designated as interest, and the remaining 1/3 shall be designated as penalties. All amounts paid to individual settlement class members shall be reported on IRS Form 1099s where required by law. No amounts paid to settlement class members shall be designated as wages, and therefore no amounts paid to settlement class members will be reported on IRS Form W-2s.

9. Release of Claims by Settlement Class Members: Upon the Court's final approval of the Settlement, entry of final judgment, and payment of required funds to Settlement Class Members, each Settlement Class Member shall be deemed to have released KOC, and all of its parents, subsidiaries, predecessors, successors, and affiliates, and all of their respective shareholders, officers, directors, employees, administrators, fiduciaries, trustees, agents, and benefit plans (collectively the "Releasees"), from any and all "Settlement Class Members' Released Claims." For the purposes of this Agreement, the Settlement Class Members' Released Claims are defined as:

those claims alleged in the operative First Amended Complaint, or that could have been alleged in the FAC based on the facts pled in the FAC, including but not limited to claims under Labor Code sections 201, 202, 203, 204, 210, 221, 226, 226.3, 226.8, 432.5, 558, 1174, 2802 and the California Business and Professions Code based on the foregoing (the "Released Claims"), as well as any civil penalty claims predicated on the claims alleged in the Complaint under PAGA based on the foregoing Labor Code provisions. The Release Period shall be the Settlement Period.

Settlement Class Members will be deemed to have acknowledged and agreed that their claims for wages and/or penalties in the Action are disputed, and that their Individual Settlement Amount constitutes payment of all sums allegedly due to them. Settlement Class Members will be deemed to have

acknowledged and agreed that California Labor Code Section 206.5 is not applicable to the Individual Settlement Amount. That section provides in pertinent part as follows:

“An employer shall not require the execution of a release of a claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made.”

10. Release of Claims by Plaintiffs: In addition to the Settlement Class Members’ Released Claims described above, in exchange for the consideration recited in this Agreement, including but not limited to the Class Representative Enhancements, Plaintiffs Jeran Jaurigue and Rudy Murrieta release, acquit, and discharge and covenant not to sue any of the Releasees for any claim, whether known or unknown, which they have ever had, or hereafter may claim to have, arising on or before the date they sign this Agreement, including without limitation to, any claims relating to or arising out of any aspect of his relationship with KOC, or the termination of that relationship, any claims for unpaid compensation, wages, reimbursement for business expenses, penalties, or waiting time penalties under the California Labor Code, the California Business and Professions Code, the federal Fair Labor Standards Act, 29 U.S.C. section 201, et seq., or any state, county or city law or ordinance regarding wages or compensation; any claims for employee benefits, including without limitation, any claims under the Employee Retirement Income Security Act of 1974; any claims of employment discrimination on any basis, including without limitation, any claims under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, 42 U.S.C. section 1981, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1991, the Family and Medical Leave Act of 1993, the California Government Code, or any other state, county or city law or ordinance regarding employment discrimination. Jaurigue and Murrieta acknowledge and agree that the foregoing general release is given in exchange for the consideration provided to each of them under this Agreement by KOC. However, this release shall not apply to claims for

workers' compensation benefits, unemployment insurance benefits, pension or retirement benefits, or any other claim or right that as a matter of law cannot be waived or released. Plaintiffs expressly waive any rights or benefits available to them under the provisions of Section 1542 of the California Civil Code, which provides 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.

Plaintiffs understand fully the statutory language of Civil Code section 1542 and, with this understanding, nevertheless elect to, and do, assume all risks for claims that have arisen, whether known or unknown, which they ever had, or hereafter may claim to have, arising on or before the date of their signature to this Agreement, and specifically waive all rights they may have under California Civil Code section 1542.

11. Opt-Outs: Individuals who fall within the definition of the Class may choose to opt out of the Class under such procedures specified in Section III, Paragraph 17(c)(vii) of this Agreement. Any such persons who opt out of the Class (“Opt-Outs”) will receive no part of the Net Settlement Fund or the Gross Settlement Fund. Every individual who falls within the definition of the Class who does not validly and timely opt out shall be deemed a Settlement Class Member. The Settlement Administrator shall provide copies of all written requests for exclusion from the Class to the Parties’ counsel within ten (10) calendar days of the final date to opt out. If more than 10 percent (10%) of the persons who fall within the definition of the Class become Opt-Outs as specified in this Agreement, then KOC shall have the option to declare this Agreement

null and void, if, within thirty (30) calendar days following the expiration of the last time period in which to opt out, KOC serves written notice of their exercise of this option on Class Counsel. Neither party nor their counsel shall encourage any class member to opt out of the settlement.

12. Escalator Provision. In the event that the total number of Class Members exceeds 185, then the Gross Settlement Fund shall be increased proportionately for each additional Class Member above 180.

13. Denial of Liability: KOC DENIES THAT IT OR ANY OF ITS PARENTS, SUBSIDIARIES, AFFILIATES OR SUCCESSORS OR ANY OTHER RELEASEE HAS ENGAGED IN ANY UNLAWFUL ACTIVITY, HAS FAILED TO COMPLY WITH THE LAW IN ANY RESPECT, OR HAS ANY LIABILITY TO ANYONE UNDER THE CLAIMS ASSERTED IN THE LITIGATION. The Parties expressly acknowledge that this Agreement is entered into for the purpose of compromising highly disputed claims and that nothing herein is an admission of liability or wrongdoing by KOC or any of the Releasees. Neither the Agreement nor any document prepared in connection with the Settlement may be admitted in any proceeding as an admission by KOC, or any of the Releasees, Plaintiff, or any person within the definition of the Class. However, this paragraph and all other provisions of this Agreement notwithstanding, any and all provisions of this Agreement may be admitted in evidence and otherwise used in any and all proceedings to enforce any or all terms of this Agreement, or in defense of any claims released or barred by this Agreement.

14. PAGA Allocation: Twenty Thousand Dollars (\$20,000) of the Gross Settlement Fund shall be designated as the recovery of civil penalties under the Labor Code Private Attorneys General Act of 2004 (PAGA). Of that amount, 75% (\$15,000) shall be distributed to the California

Labor and Workforce Development Agency (LWDA). The remaining 25% (\$5,000) shall become part of the Net Settlement Fund available for distribution to Settlement Class Members.

15. Distribution of Net Settlement Fund: Plaintiffs shall select a third party settlement administrator subject to the approval of KOC (either Rust Consulting or CPT Group), and such approval shall not be unreasonably withheld. The Net Settlement Fund shall be distributed by the Settlement Administrator in accordance with the following eligibility requirements:

(a) Those persons who timely submit written requests for exclusion from the class pursuant to the Notice (“Opt-Outs”) are not entitled to any Settlement Payments.

(b) KOC, through the Settlement Administrator, shall make payments to Settlement Class Members as set forth in Section III, Paragraphs 6-8, above.

(c) KOC will provide to the Settlement Administrator the best information available to it with respect to the full names, last known addresses, last known telephone numbers, Social Security numbers, and workweeks of the persons identified from its records as being Class Members.

16. Settlement Administration: Settlement Administration Expenses, upon order of the Court, shall be paid from the Gross Settlement Fund. All disputes relating to the Settlement Administrator’s ability and need to perform its duties shall be referred to the Court if they cannot be resolved by the Parties. The Settlement Administrator shall regularly and accurately report to the Parties, in written form when requested, the substance of the work performed, including the amounts payable to individual Settlement Class Members and the total amount to be paid to all Settlement Class Members.

17. Preliminary Approval of Settlement: The Parties agree to the following procedures for obtaining preliminary approval of the Settlement, certifying a conditional Settlement Class, notifying Settlement Class Members, and obtaining final court approval of the Settlement:

(a) **Class Certification for Settlement Purposes Only:** The Parties stipulate to certification of the Class for purposes of settlement only. If the Court does not grant either preliminary approval or final approval of this Settlement, or if KOC elects to exercise its option to declare the Agreement void as set forth in Section III, Paragraph 11, the Parties' stipulation on class certification will be void and of no further force or effect.

(b) **Motion for Preliminary Approval:** Plaintiffs shall file the Motion for Preliminary Approval of the Settlement and Proposed Order Granting Preliminary Approval of the Settlement with the supporting papers.

(c) **Notice of Class Settlement:** Following entry of the Order Granting Preliminary Approval of the Settlement, the Notice, substantially in the form attached hereto as **Exhibit A**, and the Settlement Allocation Form, substantially in the form attached hereto as **Exhibit B** (collectively "Notice Packet") shall be mailed to Class Members.

(i) Within ten (10) business days of preliminary approval, KOC shall provide the Settlement Administrator with the following data for each Class Member: name, last known mailing address, last known telephone number, Social Security number, and workweeks during the Settlement Period. Thereafter, the Settlement Administrator shall update the last known mailing addresses of Class Members received from KOC, with those obtained by searching the National Change of Address database ("NCOA").

(ii) Within twenty (20) calendar days of preliminary approval, the Settlement Administrator shall mail the Notice Packet to all identified Class Members via U.S. Mail using the most current mailing address information available for Class Members from Knight's records and the NCOA database. The deadline for requesting exclusion from the Settlement Class shall be sixty (60) calendar days from mailing by the Settlement Administrator. (This deadline is referred to as the "Exclusion/Objection Deadline Date").

(iii) If Notice Packets are returned as undeliverable without forwarding addresses, the Settlement Administrator shall conduct a skip trace to locate more current addresses for Class Members and re-mail the Notice Packets to any new addresses obtained. If forwarding address information is obtained by return mail, the Settlement Administrator shall promptly forward the Notice Packet to the addressee via first-class regular U.S. Mail indicating on the Notice Packet the date on which it was re-mailed. The Exclusion/Objection Deadline Date shall not be extended for Class Members who receive re-mailed Notice Packets.

(iv) The Notice shall provide that the Class Members who wish to object to the Settlement may simply appear at the Final Approval Hearing or submit to the Settlement Administrator a written statement objecting to the Settlement. Written objections must be submitted to the Settlement Administrator within forty-five (45) calendar days following the mailing of the Notice Packet, which is the Exclusion/Objection Deadline Date. No individual who excludes himself or herself from the Settlement Class shall be entitled to object to the Settlement.

(v) The Class Notice shall contain an easily understood statement alerting the Class Members that, unless they elect to Opt-Out of the Class Settlement, the Class Member is releasing and waiving all Settlement Class Members' Released Claims against the Released Parties.

(vi) The Notice shall include the option for Class Members to opt out of the Settlement. Any Class Member wishing to opt out of the Settlement must comply with the deadline and procedures specified in the Notice for doing so. Class Members who fail to submit a written request for exclusion from the settlement on or before the Exclusion/Objection Deadline Date shall be bound by all terms of the Settlement and the Final Judgment entered in the Litigation if the Settlement is approved by the Court, regardless of whether they have objected to the Settlement. Within ten (10) calendar days after the Exclusion/Objection Deadline Date, the Settlement Administrator shall provide the Parties with a complete and accurate list of all Class Members who have validly and timely requested exclusion from the Settlement.

(vii) The Opt-Out request must state the Settlement Class Member's name, address, telephone number, and signature. The Opt-Out request should state to the effect of: "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE JAURIGUE V. KNIGHTS OF COLUMBUS LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CLASS SETTLEMENT OF THIS LAWSUIT AND WILL NOT BE RELEASING ANY CLAIMS I MIGHT HAVE." Any Opt-Out request that is not postmarked by the Response Deadline will be invalid. In the event that, prior to the Response Deadline, any Notice Packet mailed to a Class Member is returned as having been undelivered by the U.S. Postal Service, the Settlement Administrator shall perform a skip trace search and seek an address correction for such Class Member(s), and a second Notice Packet will be sent to any new or different address obtained. Such Class Member(s) shall have an additional 14 days in which to Opt-Out.

(viii) It will be presumed that, if an envelope containing the Class Notice has not been returned within 28 days of the mailing, the Settlement Class Member received the Class

Notice. At least 7 days prior to the deadline for Class Counsel to file its motion in support of Final Approval and Fairness Hearing, the Settlement Administrator shall provide Class Counsel and Defense Counsel with a Declaration of Due Diligence and Proof of Mailing with regard to the mailing of the Notice Packets and its attempts to locate Class Members. The declaration shall specify the number of Class Members to whom Class Notices were sent and the number of Class Members to whom Class Notices were not delivered, as well as information relating to the number of Opt-Outs and objectors. Class Counsel shall file this declaration with the Court.

(ix) If the Settlement Administrator determines that an Opt-Out request returned by a Class Member before the Response Deadline is deficient, then the Settlement Administrator shall mail a deficiency letter to that Class Member identifying the problem. If a Class Member submits both a dispute and an Opt-Out request, the Settlement Administrator shall make reasonable attempts to clarify as if the Opt-Out request were deficient. If the Class Member fails to cure the deficiency, the Opt-Out request shall be disregarded and the claim will be paid, and the Class Member will become bound by the judgment.

(x) Those Class Members who do not timely Opt-Out will be bound by the release of Settlement Class Members' Released Claims set forth herein.

(xi) The Settlement Allocation Form mailed to Class Members shall state the Class Member's dates under contract as Field Agents in California within the Settlement Period according to the records of KOC, the total amount of workweeks calculated as being worked by the Class Member during the Settlement Period, and shall state the approximate amount of the Class Member's share of the proposed Settlement.

(xii) The Settlement Allocation Form shall request corrected and/or updated name, address, and telephone information, and shall permit the Class Member to challenge or

dispute the workweeks stated on the Settlement Allocation Form, by submitting the Class Member's contentions by way of completing the relevant portion of the Form and attaching appropriate documentation. Alternatively, Class Members may also submit a written challenge stating what they believe to be the correct information and providing supporting documentation. Any such challenges must be mailed to the Settlement Administrator by the Exclusion/Objection Deadline. Any such challenges shall be resolved by the Settlement Administrator, whose decision shall be final, binding, and non-appealable.

(xiii) On a weekly basis, the Settlement Administrator will provide reports to Class Counsel and Defense Counsel summary information updating them as to the number of validated and timely objections and requests for exclusion/Opt-Outs. The Settlement Administrator will serve on Class Counsel and Defense Counsel via e-mail date-stamped copies of the original requests for exclusion/Opt-Outs and objections no later than seven days after their receipt. The Settlement Administrator will provide Class Counsel with proof of mailing of the Class Notice, without listing individual Class Member names which the Settlement Administrator will file with the Court at the time Class Counsel files its motion in support of the Final Approval and Fairness Hearing. No later than 14 days prior to the deadline for Class Counsel to file its motion in support of the Final Approval and Fairness Hearing, the Settlement Administrator will compile and deliver to Class Counsel and Defense Counsel a report with summary information regarding (a) the total amount of final Individual Settlement Amounts of each Settlement Class Member (b) the number of Settlement Class Members to receive such payments, and (c) the final number of requests for exclusion/Opt-Outs and objections.

(xiv) **Objections.** The Class Notice shall inform the Class Members of their right to object to the Class Settlement. Any Settlement Class Member who wishes to object to the Class

Settlement must submit a written objection to the Settlement Administrator no later than the Response Deadline. The objection must include the case name and number and must set forth, in clear and concise terms, a statement of the reasons why the objector believes that the Court should find that the proposed Class Settlement is not in the best interest of the Settlement Class and the reasons why the Class Settlement should not be approved, including the legal and factual arguments supporting the objection. If an objector also wishes to appear at the Final Approval and Fairness Hearing, in person or through an attorney, he or she *must also* file a notice of intention to appear at the same time as the objection is filed. The Settlement Administrator will promptly serve copies of any objection or notice of intention to appear on Class Counsel and Defense Counsel. Unless otherwise ordered by the Court, Settlement Class Members shall not be entitled to appear and or object at the Final Approval and Fairness Hearing unless they have submitted a timely written objection and notice of intention to appear pursuant to this Section. Settlement Class Members who have properly and timely submitted objections may appear at the Final Approval and Fairness Hearing, either in person or through a lawyer retained at their own expense.

(d) **Non-Solicitation of Opt-Outs / Objections:** The Parties agree that neither they nor their counsel will solicit or otherwise encourage directly or indirectly Class Members to request exclusion from the Class, object to the Settlement, or appeal the Final Judgment.

(e) **Final Approval Hearing:** A Final Approval Hearing to determine final approval of the Settlement shall be conducted subject to the calendar of the Court. No later than twenty (20) calendar days prior to the Final Approval Hearing, the Settlement Administrator shall provide Class Counsel with a Declaration of Compliance to be filed with the Court by Class Counsel. No later than sixteen (16) court days before the Final Approval Hearing, or upon such other schedule as may be directed by the Court, Plaintiffs shall file a Motion for Final Approval, Memoranda of

Points and Authorities in Support of the Settlement, and Motion for Attorneys' Fees and Costs and Class Representative Enhancement. Prior to the Final Approval Hearing, Class Counsel shall present the proposed Final Judgment and Order Approving Class Settlement ("Final Judgment") to the Court for its approval and entry. After entry of the Final Judgment, the Court retains continuing jurisdiction over the Litigation under California Rule of Court 3.769(h) for purposes of (i) enforcing this Settlement Agreement, (ii) addressing settlement administration matters, and (iii) addressing such post-Final Judgment matters as may be appropriate under court rules or applicable law. No judgment shall be entered unless it is consistent with the terms of this Agreement.

18. Funding and Distribution of Gross Settlement Fund:

(a) **Funding and Distribution Timelines:** Subject to the payment maximum specified in Section III, Paragraph 4 of this Agreement, KOC will pay the Settlement Administrator the Gross Settlement Fund within five (5) business days after the Final Judgment becomes Final. The Settlement Administrator shall distribute the entire Gross Settlement Fund within fifteen (15) business days after the Final Judgment becomes Final.

(b) **Payment of Class Counsel Attorneys' Fees:** Class Counsel shall submit an application to the Court for approval of Class Counsel Attorneys' Fees. Class Counsel anticipate requesting that the court approve \$175,000.00 as Class Counsel Attorneys' Fees. As set forth above, Class Counsel Attorneys' Fees shall come exclusively from the Gross Settlement Fund. The amount of court-awarded Class Counsel Attorneys' Fees shall be paid by the Settlement Administrator to Plaintiffs' Attorneys. The Settlement Administrator shall issue a Form 1099 to Class Counsel for the payment. KOC agrees not to oppose the request for Attorneys' Fees so long as it does not exceed \$175,000.00.

(c) **Payment of Litigation Costs and Expenses:** Class Counsel shall submit an application to the Court for approval of Litigation Costs and Expenses. Class Counsel anticipate requesting that the Court approve no more than \$15,000 as Litigation Costs and Expenses. As set forth above, Litigation Costs and Expenses shall come exclusively from the Gross Settlement Fund. The amount of court-awarded Litigation Costs and Expenses shall be paid by the Settlement Administrator to Class Counsel. KOC agrees not to oppose the request for Litigation Costs and Expenses so long as it does not exceed \$15,000.

(d) **Payment of Class Representative Enhancement and Compensation for General Release:** Upon court approval, Plaintiffs shall each be paid a Class Representative Enhancement. Plaintiffs intend to request that the Court approve a payment in the amount of \$5,000 to each Plaintiff as a Class Representative Enhancement and KOC agrees not to object to a Class Representative Enhancement of not more than \$5,000 for each Plaintiff. The Settlement Administrator shall make payment of the Class Representative Enhancements to Plaintiffs. The Settlement Administrator shall issue form 1099s to Plaintiffs for the payment.

(e) **Payment of Settlement Administration Expenses:** The Settlement Administrator shall receive such amount approved by the Court, which is estimated to be \$10,000, from the Gross Settlement Fund. The Settlement Administration Expenses shall not exceed \$10,000 unless the Settlement Administrator obtains prior approval from the Parties.

(f) **Approval of Class Counsel Attorneys' Fees, Litigation Costs and Expenses and Class Representative Enhancement:** Recovery of Class Counsel Attorneys' Fees, Litigation Costs and Expenses and the award of a Class Representative Enhancement are not conditions to this Agreement, and are to be considered by the Court separately from the fairness, reasonableness, adequacy and good faith of the Settlement. Any order or proceeding relating to the application by

Class Counsel of an award of attorneys' fees, costs, expenses, or Class Representative Enhancement, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel this Agreement, or affect or delay the finality of the Final Judgment. To the extent the Court does not approve the full amount of Class Counsel Attorneys' Fees, Litigation Costs and Expenses, Settlement Administration Expenses, or the Class Representative Enhancement described above, the non-approved amounts will be allocated to the Net Settlement Fund for distribution to the Settlement Class Members according to the allocation formula set forth herein.

(g) **Payments to Settlement Class Members:** After deducting Class Counsel Attorneys' Fees, Litigation Costs and Expenses, the Class Representative Enhancement, Settlement Administration Expenses, and the PAGA Payment to the LWDA, from the Gross Settlement Fund, the Settlement Administrator shall distribute the entire Net Settlement Fund to the Settlement Class Members according to the allocation formula described in Section III, Paragraph 6. The Settlement Administrator shall mail a check to each Settlement Class Member via U.S. Mail using the most current mailing address information available, including any address updates obtained through NCOA searches, Social Security Number searches, address changes self-reported by Settlement Class Members, or any other source. After the Settlement Administrator mails out the Settlement Payments, Settlement Class Members shall have 180 calendar days to cash the checks that were mailed to them. After 180 calendar days from the date of mailing, the checks shall become null and void, and any monies remaining in the distribution account shall be distributed to the California State Controller's Unclaimed Property Fund in the names of the Settlement Class members who failed to cash their checks. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire Net

Settlement Fund will be paid out to Settlement Class Members, whether or not they all cash their Settlement Checks.

(h) **Non-Cashed Settlement Checks.** Any funds associated with checks that have not been cashed within 180 days from date of issuance, will become void and the Individual Settlement Amount associated with the un-cashed check shall be paid to a *cy pres* to be agreed upon by the parties and approved by the Court.

19. Notices: Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the fifth day after mailing by United States mail, addressed as follows:

To Counsel for Plaintiffs:

Craig J. Ackermann
ACKERMANN & TILAJEF, P.C.
1180 South Beverly Drive, Suite 610
Los Angeles, CA 90035
Tel: (310) 277-0614

Jonathan Melmed
MELMED LAW GROUP P.C.
1180 South Beverly Drive, Suite 610
Los Angeles, CA 90035
Tel: (310) 824-3828

To Counsel for Defendant:

Aaron A. Buckley
Nicholas P. Banegas
PAUL, PLEVIN, SULLIVAN & CONNAUGHTON LLP
101 West Broadway, Ninth Floor
San Diego, CA 92101
Tel: (619) 237-5200

20. KOC's Option to Void Agreement: It is understood and agreed by the Parties that the formula for the distribution of the Net Settlement Fund and the procedure for effectuating this Settlement are subject to approval by the Court. However, if any court order or action of the Court requires KOC or any other Releasee to pay any portion of the Gross Settlement Fund to any

person or entity other than as provided herein, or pay more than \$525,000, (including cash payments to the Class, Class Counsel Attorneys' Fees, Litigation Costs and Expenses, Settlement Administration Expenses, the Class Representative Enhancement, and the PAGA Payment to the LWDA), or requires any other changes in the Settlement that are materially detrimental to KOC or any other Releasee, the Agreement shall be voidable by KOC by written notice by any of them to the attorney of record for Plaintiff, no later than twenty (20) calendar days after KOC receives notice of entry of any such order.

As set forth in Section III, Paragraph 11, KOC also shall have the option to void this Agreement if more than 10 percent (10%) of the Class Members exercise their right to opt out of this Agreement.

If KOC voids this Agreement, or if the Court fails to approve this Agreement, neither KOC nor any other Releasee shall have any obligation to make any payments under this Agreement and KOC shall receive a return of any funds already paid. KOC agrees to pay to the Settlement Administrator directly all of the Settlement Administration expenses under those circumstances.

21. No Publicity: The Parties and their respective counsel shall not issue any press release or media release or have any communication with the press or media regarding this Settlement. Class Counsel may, however, respond to any inquiries from Class Members regarding the Settlement.

22. Entire Agreement: After this Agreement is fully executed by all Parties and their attorneys of record, this Agreement and its Exhibits shall constitute the entire agreement relating to settlement of this Litigation and the causes of action and defenses asserted therein, and it shall then be deemed that no oral representations, warranties or inducements have been made to any

party concerning this Agreement other than the representations, warranties and covenants expressly stated in this Agreement.

23. Authorization: Class Counsel warrant and represent that they are authorized by Plaintiff, for whom they are the attorneys of record, and the attorneys of record for KOC warrant and represent that they are authorized by KOC, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties agree to seek the assistance of the Court, and in all cases all such documents, supplemental provisions and assistance of the Court shall be consistent with this Agreement.

24. Jurisdiction: The Court shall have continuing jurisdiction to resolve any dispute which may arise with regard to the terms and conditions of this Agreement, subject to approval by the Court. Except where the context indicates otherwise, references to the court shall also include any other courts that take jurisdiction of the Litigation, or any to whom the court has referred the matter. In the event that one or more of the Parties institutes an action or proceeding to enforce the provisions of this Settlement, or declare rights and/or obligations under this Settlement, the prevailing Party shall be entitled to recover reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement action. This Agreement and the rights and obligations of the Parties shall be construed and governed by the laws of the State of California.

25. Modification: This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their successors-in-interest or their counsel.

26. Successors: This Agreement shall be binding upon, and inure to the benefit of, the successors of each of the Parties.

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

28. Representation by Counsel: The Parties have each been represented by counsel and have cooperated in the drafting and preparation of this Agreement. This Agreement shall not be construed against any party on the basis that the party was the drafter or participated in the drafting.

29. Counterparts: This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. Any executed counterpart shall be admissible in evidence to prove the existence and contents of this Agreement.

30. Incorporation of Exhibits: All exhibits attached hereto are incorporated by reference and are a material part of this Agreement. Any notice, order, judgment or other exhibit that requires approval of the Court must be approved without material alteration from its current form in order for this Agreement to become effective.

31. Reasonableness of Settlement: The Parties believe that this is a fair, reasonable, and adequate Settlement and have arrived at this Settlement through arms-length negotiations, taking into account all relevant factors, present and potential.

32. Headings: The headings contained in this Agreement are for reference only and are not to be construed as a part of the Agreement.

33. Waiver of Right to be Excluded: By signing this Agreement, Plaintiffs agree to be bound by its terms and agrees not to request to be excluded from the Class. Any such request for exclusion by Plaintiffs shall be void and of no force or effect.

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

(a) Grant final approval to the Settlement as fair, reasonable, adequate, in good faith and in the best interests of the Class, as a whole, and order the Parties to carry out the provisions of this Agreement.

(b) Award amounts for Class Counsel Attorneys' Fees, Litigation Costs and Expenses, the Class Representative Enhancement, and Settlement Administration Expenses.

(c) Adjudge that the Settlement Class Members are conclusively deemed to have released KOC and the Releasees of and from any and all rights, claims, demands, liabilities, causes of action, liens and judgments arising out of or in any way related to the matters within the scope of the Litigation.

(d) Bar and permanently enjoin each Settlement Class Member from prosecuting against the Releasees any and all of the Released Claims which the Settlement Class Members have arising out of, based upon, or otherwise related to the Litigation.

(e) Dismiss this action without prejudice as to all putative class members who are not Settlement Class Members.

(f) Dismiss this action with prejudice as to all Settlement Class Members.

(g) Reserve continuing jurisdiction as provided herein.

Dated: November 20, 2019

DocuSigned by:
Jeran Jaurigue
C981EE5006704D3...

JERAN JAURIGUE
Plaintiff

Dated: November 7, 2019

DocuSigned by:
[Signature]
A37F8D246F22472...

RUDY MURRIETA
Plaintiff

Dated: November 20, 2019

ACKERMANN & TILAJEF, P.C.

By *[Signature]*
CRAIG C. ACKERMANN
Attorney for Plaintiffs
JERAN JAURIGUE
RUDY MURRIETA

Dated: November 20, 2019

MELMED LAW GROUP P.C.

By *Jonathan Melmed*
JONATHAN MELMED
Attorney for Plaintiffs
JERAN JAURIGUE
RUDY MURRIETA

Dated: November , 2019

KNIGHTS OF COLUMBUS

By _____

(e) Dismiss this action without prejudice as to all putative class members who are not Settlement Class Members.

(f) Dismiss this action with prejudice as to all Settlement Class Members.

(g) Reserve continuing jurisdiction as provided herein.

Dated: November __, 2019

JERAN JAURIGUE
Plaintiff

Dated: November __, 2019

RUDY MURRIETA
Plaintiff

Dated: November __, 2019

ACKERMANN & TILAJEF, P.C.

By

CRAIG C. ACKERMANN
Attorney for Plaintiffs
JERAN JAURIGUE
RUDY MURRIETA

Dated: November __, 2019

MELMED LAW GROUP P.C.

By

JONATHAN MELMED
Attorney for Plaintiffs
JERAN JAURIGUE
RUDY MURRIETA

Dated: November 12, 2019

KNIGHTS OF COLUMBUS

By



Michael J. O'Connor
Supreme Secretary

Dated: November 12, 2019

PAUL, PLEVIN, SULLIVAN & CONNAUGHTON LLP


By 
AARON A. BUCKLEY
Attorneys for Defendant
KNIGHTS OF COLUMBUS

EXHIBIT A

Jeran Jaurigue, et al. v. Knights of Columbus Class Action Settlement

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

(Jeran Jaurigue, et al. v. Knights of Columbus, a Connecticut Corporation, San Bernardino County Superior Court Case No. CIVDS1824508)

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE
READ THIS CLASS NOTICE CAREFULLY.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	If you are a member of the Class, you will automatically receive a payment if you do not exclude yourself. After final approval by the Court, the payment will be mailed to you at the same address as this Class Notice. If your address has changed, please notify the Settlement Administrator as explained below.
Exclude Yourself	To exclude yourself, you must send a letter to the Settlement Administrator as provided below on or before <<_____>>. If you request exclusion, you will receive no money from the Settlement .
Object	Write to the Court about why you do not like the settlement. Directions are provided below. Written objections must be submitted by <<_____>>.

1. Why did I get this Class Notice?

A proposed class action settlement (the “Settlement”) has been reached by the parties and has been granted preliminary approval by the Superior Court of the State of California, County of San Bernardino (the “Court”).

You have received this Class Notice because you have been identified as a member of the Class which is defined as:

All individuals who are or have been contracted by Knights of Columbus in California as Field Agents during any portion of the period from September 18, 2014 through <<preliminary approval date>>.

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Class Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On September 18, 2018, Jeran Jaurigue filed a class action complaint in the San Bernardino County Superior Court entitled *Jeran Jaurigue, et al. v. Knights of Columbus*, San Bernardino County Superior Court, Case No. CIVDS1824508 (the “Litigation”), in which he asserted various causes of action against Knights of Columbus, (“KOC”) for alleged unreimbursed business expenses and other violations of the California Labor Code and Business and Professions Code. Rudy Murrieta later joined the case as an additional plaintiff.

In October, 2019, Plaintiffs Jaurigue and Murrieta filed their First Amended Complaint alleging claims for: (1) willful misclassification (Labor Code § 226.8), (2) failure to reimburse business expenses (Labor Code § 2802), (3) failure to provide complete wage statements (Labor Code §§ 226, 226.3); (4) Unlawful Deductions (Labor Code § 221), (5) Waiting Time Penalties (Labor Code §§ 201 – 203), (6) UCL Violations (bus. & prof. code §§ 17200-17204); and (7) PAGA and other penalties (labor Code §§ 2698 – 2699.5).

KOC contends that the claims in the Litigation are without merit. The parties have agreed to settle the Litigation.

The Court has not ruled on the merits of Plaintiffs' claims. By approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case if it went to trial. However, to avoid additional expense, inconvenience, and risks of continued litigation, Defendant and Plaintiffs have concluded that it is in their respective best interests and the interests of the Class Members to settle the Action on the terms summarized in this Notice. After Defendant provided extensive discovery and information to counsel for the Class Members, the Settlement was reached after arms-length non-collusive negotiations between the parties, including mediation with a highly-respected mediator in California. In these negotiations, both sides recognized the substantial risk of the Court deciding against them at trial and determined that the Settlement was a fair, reasonable and adequate way to resolve the disputed claims.

The Court granted preliminary approval of the Settlement on <<preliminary approval date>>. The proposed Settlement will resolve all claims in the Litigation.

The Plaintiff and Class Counsel support this Settlement. Among the reasons for support are the defenses to liability potentially available to Defendant, the risk of denial of class certification, the inherent risk of trial on the merits, and the delays and uncertainties associated with litigation.

Under this settlement, the following settlement class will be certified under California law:

All persons who are or have been contracted by Defendant in California as Field Agents at any time during the Period from September 18, 2014 through [insert date].

Plaintiffs Jeran Jaurigue and Rudy Murrieta, and their counsel, Jonathan Melmed, Esq. and Craig J. Ackermann, Esq. ("Class Counsel"), believe that the settlement described below is fair, adequate, reasonable and in the best interests of Plaintiffs and the Class.

On [insert date of preliminary approval], the Court preliminarily approved the settlement and conditionally certified the settlement class. This Notice is being sent to you because Defendant's records indicate that you worked for Defendant as a Field Agent in California during the Class Period.

3. What are the terms of the Settlement?

Settlement Payment. Defendants have agreed to pay Five Hundred Twenty Five Thousand Dollars (\$525,000) (called the "Gross Settlement Fund"). The Gross Settlement Fund will be distributed as follows:

- Settlement Administration. Payment to the Settlement Administrator, [INSERT NAME], estimated to be \$10,000, for the expense of notifying the Class Members of the Settlement, processing opt outs, and distributing Settlement awards to Class Members.
- Class Representative Service Awards. A service award not to exceed \$5,000 to each of the named plaintiffs, Jeran Jaurigue and Rudy Murrieta, to compensate them for services on behalf of the Class in initiating and prosecuting the Litigation. The service awards must be approved by the Court.
- LWDA Payment. A civil penalty payment of approximately \$15,000 to the California Labor and Workforce Development Agency's share of civil penalties under PAGA.
- Attorneys' Fees and Expenses. Class Counsel – which includes attorneys from two separate law firms that have been prosecuting the Lawsuit on behalf of the Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. To date,

the parties have aggressively litigated many aspects of the case including settlement efforts and a full day mediation session. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Settlement Amount. Class Members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will collectively ask for fees of one third (*i.e.*, \$175,000) of the Settlement Amount as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit. Class Counsel also will ask for reimbursement of up to \$15,000.00 for the costs Class Counsel incurred in connection with the Lawsuit.

After the above payments are subtracted from the Gross Settlement Fund, the remaining amount will be distributed to Class Members (the "Net Settlement Fund").

The Net Settlement Fund will be allocated according to the number of weeks each Class Member was contracted with KOC as a Field Agent in California during the Settlement Period. Each Class Member shall initially be allocated a share of the Net Settlement Fund according to the number of weeks that individual was contracted as a Field Agent in California during the Settlement Period, divided by the total number of weeks that all Class Members combined were contracted as Field Agents in California during the Settlement Period.

Tax Matters. Of the Settlement Payments to individual Settlement Class Members, one-third shall be designated as reimbursement for business expenses, one-third shall be designated as interest, and the remaining one-third shall be designated as penalties. All amounts paid to individual settlement class members shall be reported on IRS Form 1099s where required by law. No amounts paid to settlement class members shall be designated as wages, and therefore no amounts paid to settlement class members will be reported on IRS Form W-2s. Each Class Member shall be responsible for remitting to state and/or federal taxing authorities any applicable taxes which may be owed on the portion of his or her settlement award. The Settlement Administrator shall report all required information to the appropriate taxing authorities regarding all payments made pursuant to the Settlement.

You can view the Settlement Agreement and other Court documents related to this case by visiting www.xxxxxxxx.

4. How much will my payment be?

Your estimated minimum settlement award is stated on the Settlement Allocation Form mailed to you with this Class Notice.

5. How can I get a payment?

To receive a settlement award, you **do not have to do anything**. If the Court grants final approval of the Settlement, a check will be mailed to the same address as this Class Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator by returning the Settlement Allocation Form with your corrected/updated mailing address. You may also contact the Settlement Administrator at (800) [XXXXXXX](tel:800-XXXXXXX).

6. In Return for These Settlement Benefits, What Am I Giving Up?

If the Court approves the proposed Settlement, and unless you opt out in the manner described below, you will release (give up) those claims alleged in the operative First Amended Complaint (FAC), or that could have been alleged in the FAC based on the facts pled in the FAC, including but not limited to claims under Labor Code sections 201, 202, 203, 204, 210, 221, 226, 226.3, 226.8, 432.5, 558, 1174, 2802 and the California Business and Professions Code based on the foregoing (the "Released Claims"), as well as any civil penalty claims predicated on the claims alleged in the Complaint under the Labor Code Private Attorneys General Act of 2004 (PAGA) based on the foregoing Labor Code provisions. The Release Period shall be the Settlement Period. The release becomes effective once the Court approves the Settlement and the approval is not subject to appeal.

The Class Representatives further agree to a general release of all claims against Defendant during the Class

Period, and agree to waive their rights under Civil Code Section 1542 (“Plaintiffs’ Released Claims”).

The Settlement does not release any person, party or entity from claims, if any, by Settlement Class Members for workers compensation, unemployment, or disability benefits of any nature, nor does it release any claims, actions, or causes of action which may be possessed by Settlement Class Members under state or federal discrimination statutes, including, without limitation, the Cal. Fair Employment and Housing Act, the Cal. Government Code § 12940, *et seq.*; the Unruh Civil Rights Act, the Cal. Civil Code §51, *et seq.*; the California Constitution; Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000, *et seq.*; the Americans with Disabilities Act, as amended, 42 U.S.C. § 12101, *et seq.*; the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. § 1001 *et seq.*; and all of their implementing regulations and interpretive guidelines.

Settlement Class Members will be deemed to have acknowledged and agreed that their claims for wages and/or penalties in the Action are disputed, and that the Individual Settlement Amounts constitute payment of all sums allegedly due to them. Settlement Class Members will be deemed to have acknowledged and agreed that California Labor Code Section 206.5 is not applicable to the Individual Settlement Amounts. That section provides in pertinent part as follows:

“An employer shall not require the execution of a release of a claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made.”

7. What if I don’t want to be a part of the Settlement?

If you **do not** wish to take part in the Settlement, you may exclude yourself (i.e., opt-out) by sending to the Settlement Administrator a “Request for exclusion/Opt-Out from the Class Action Settlement” letter/card postmarked no later than [insert date], with your name, address, telephone number, and signature. The request for exclusion/Opt-Out should state:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE JAURIGUE V. KNIGHTS OF COLUMBUS LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT AND WILL NOT BE RELEASING ANY CLAIMS I MIGHT HAVE.”

Send the request for exclusion/Opt-Out directly to the Settlement Administrator at the following address by no later than [Insert opt-out date]:

[Insert ADDRESS]

Any person who submits a timely request for exclusion/Opt-Out from the Class Action Settlement shall, upon receipt, no longer be a Settlement Class Member, shall be barred from participating in any portion of the Settlement, and shall receive no benefits from the Settlement. If you want confirmation of receipt of your request for exclusion/Opt-Out, please send it by U.S. certified mail, return receipt requested and/or contact the Settlement Administrator.

8. How do I tell the Court that I don’t like the Settlement?

You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the proposed Settlement, or any portion of it, you must file with the Settlement Administrator a written objection stating your name, address, telephone number, dates of work as a Field Agent in California with Defendant, the case name and number, each specific reason in support of your objection, and any legal support for each objection. Objections must be in writing and must be mailed to the Settlement Administrator, [Insert ADDRESS], by no later than [Insert deadline] for your objection to be considered. **OBJECTIONS THAT DO NOT INCLUDE ALL REQUIRED INFORMATION, OR THAT ARE NOT SUBMITTED TIMELY, MAY NOT BE CONSIDERED BY THE COURT.**

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will receive payment and be bound by the terms of the Settlement in the same way as Settlement Class Members who do not object. Any Settlement Class Member who does not object in the manner provided above shall have waived any objection to the Settlement, whether by appeal or otherwise.

9. The Lawyers Representing You and How They Will Be Paid

The Court has appointed as Class Counsel the law firms of Ackermann & Tilajef, P.C. and Melmed Law Group P.C. These attorneys are experienced in employment law and class action litigation. If you want to be represented by your own attorney, you may hire one at your own expense and enter an appearance through your own counsel.

The law firm that worked on this lawsuit will seek attorneys' fees and reimbursement of out-of-pocket expenses. The request for fees will not exceed \$175,000 and the request for reimbursement of expenses will not exceed \$15,000. Defendants will not oppose the fee and expense requests up to these amounts. The Court must approve the request for attorneys' fees and expenses. If approved by the Court, the fees and expenses will be paid from the Gross Settlement Fund.

10. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at **00:00 AM/PM on _____**, at the San Bernardino County Superior Court in Department S26, located at 247 W. Third Street, San Bernardino, California 92415. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing. The Court's order and judgment issued after Final Approval will be posted on the websites of the Settlement Administrator, **www._____com**, and Class Counsel, **www._____com**.

11. How do I get more information?

You may call the Settlement Administrator at **(800) _____** or contact Class Counsel at **[xxx-xxx-xxxx]**.

You may receive a copy of the Settlement, the Final Judgment or other settlement documents by writing to the Settlement Administrator at the address above. You may also get more details by examining the documents in the court's file at <https://www.sb-court.org/> and entering the Case No. CIVDS1824508.

PLEASE DO NOT CALL THE COURT ABOUT THIS CLASS NOTICE.

IMPORTANT:

- You must keep the Settlement Administrator informed of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

EXHIBIT B

Jeran Jaurigue, et al. v. Knights of Columbus Class Action Settlement

San Bernardino County Superior Court Case No. CIVDS1824508)

SETTLEMENT ALLOCATION FORM

FOR: **[NAME]**

[ADDRESS]

[TELEPHONE NUMBER]

RETURN THIS FORM ONLY IF:

- 1) You dispute the “weeks worked” attributed to you below; and/or
- 2) Your name, address, or telephone number listed above is not accurate.

If your name, address, or telephone number listed above is inaccurate, please provide the correct information below and return this form to the Settlement Administrator.

I. PERSONAL INFORMATION

Name: _____

Street Address: _____

City, State, Zip Code: _____

Mobile Telephone No.: (_____) _____

Home Telephone No.: (_____) _____

For purposes of verification only, please provide:

Last four digits of your Social Security number: ____ ____ ____ ____; and

The approximate month and the year you were contracted by Knights of Columbus as a Field Agent in California.

(month) _____, (year) _____.

II. SETTLEMENT PAYMENT BASED ON WEEKS WORKED

Your estimated minimum settlement amount is: \$ [insert amount].

Your weeks worked under contract as a Field Agent in California according to Knights of Columbus' records is: (insert number of workweeks)

Your settlement award is based in part on the number of weeks you were under contract by Knights of Columbus as a Field Agent in California during the period from September 18, 2014 through <<Preliminary Approval>>.

If you do not agree with the number of weeks worked, you may dispute the number above. If you dispute your weeks worked, in the space below, provide the dates that you were under contract as a Field Agent in California during the period from September 18, 2014 through <<Preliminary Approval>>. Include copies of any documents, such as commission statements, that support your position.

Position:

Dates:

If you dispute your weeks worked, you must return this form to the Settlement Administrator, at the following address post-marked on or before [redacted].

[INSERT ADDRESS]

If you agree with your weeks worked and your pre-printed address information is correct, you need do nothing. You will receive a check in the mail if the Court approves the settlement.