

## **JOINT STIPULATION OF CLASS ACTION AND PAGA REPRESENTATIVE ACTION SETTLEMENT AND RELEASE**

This Stipulation of Class Action and PAGA Representative Action Settlement and Release (“Stipulation” or “Settlement”) is entered into by and between Plaintiff, Anthony J. Gratton (“Plaintiff”), on behalf of himself and the putative class and Defendant, Reel Security California, Inc. and Former Defendants, Reel Security Corp., Mario Ramirez, and Bradley Bush (collectively the “Reel Defendants”) (collectively the “Parties”) with regard to the following action pending in the Superior Court of California, County of Los Angeles: *Vicki Curl v. Reel Security California, Inc., et al.*, Case No. BC710748, subject to the terms and conditions herein and the approval of the Court pursuant to the California Rules of Court. Capitalized terms used herein shall have the meanings set forth in Section 1 or as defined elsewhere in this Joint Stipulation of Class Action Settlement (“Stipulation”).

The Parties agree that the Action shall be, and hereby is, ended, settled, resolved, and concluded by agreement of Reel Defendants to pay the settlement amount of Three Hundred Fifteen Thousand Dollars (\$315,000.00), which the Reel Defendants will pay within 36 months of the Final Approval Date. The Reel Defendants will make equal monthly payments of \$8,750.00 plus 1/36th of employer-side taxes until the Gross Fund Value is fully funded as provided in Section 1.19 below (“Gross Fund Value”) pursuant to the terms and conditions of this Stipulation and for the consideration set forth herein, including but not limited to, a release of claims by Plaintiff and the Participating Class Members as set forth herein.

The Parties expressly acknowledge that this Stipulation is entered into solely for the purpose of compromising significantly disputed claims and that nothing in this Stipulation is an admission of liability or wrongdoing by Reel Defendants. If for any reason the Stipulation is not approved, it will be of no force or effect, and the Parties will be returned to their respective positions immediately prior to and as if they had never executed this Stipulation as more fully set forth below.

### **1. DEFINITIONS**

1.1 “Action” means the civil action entitled *Vicki Curl v. Reel Security California, Inc., et al.*, Case No. BC710748, pending in the Superior Court of California, County of Los Angeles.

1.2 “Stipulation” or “Settlement” means the terms and conditions set forth in this Joint Stipulation of Class Action and PAGA Representative Action Settlement and release, including the disposition of the Released Claims, as defined herein.

1.3 “Class” or “Class Members” or “Settlement Class” means all individuals who are members of the Security Guard Class and/or the Waiting Time Penalties Subclass (as defined below).

1.4 “Class Counsel” means the attorneys for the Class and the Class Members, who is David Spivak of The Spivak Law Firm, 16530 Ventura Blvd., Suite 203, Encino.

1.5 “Class Counsel’s Fees and Costs” means the attorneys’ fees and costs incurred and to be incurred by Class Counsel in the Actions.

1.6 “Class Notice” means the Court-approved Notice of Proposed Class Action Settlement, substantially in the form attached hereto as **Exhibit A** and incorporated by reference herein, which, which will notify Class Members of, among other things, the following: the conditional certification of the Class for settlement purposes, Preliminary Approval of the Settlement, the basic terms of the Settlement, the calculation of Individual Settlement Payments, the procedures for disputing and objecting to the Settlement, and requesting exclusion from the Settlement, and the scheduling of the Final Approval Hearing. Following the Court’s Preliminary Approval of the Settlement, the Settlement Administrator shall mail the Class Notice to all Class Member.

1.7 “Class Period” means June 27, 2014 through and including the date of Preliminary Approval of this Settlement.

1.8 “Class Representative” or “Plaintiff” means Anthony J. Gratton.

1.9 “Class Representative Service Award” means the sums to be paid to Plaintiff Anthony J. Gratton in recognition for his efforts in obtaining the benefits of this Settlement. The Service Awards shall not exceed five thousand dollars (\$5,000) to the named Plaintiff and will be paid in addition to the Individual Settlement Payments that Plaintiff is entitled to as Class Member.

1.10 “Complaint” means the Complaint filed on June 27, 2018.

1.11 “Court” means the Superior Court of California, County of Los Angeles, Honorable John P. Doyle presiding.

1.12 “Reel Defendants” means Defendant Reel Security California, Inc. and Former Defendants Reel Security Corp., Mario Ramirez, and Bradley Bush.

1.13 “Reel Defendants’ Counsel” means Bradley & Gmelich LLP, 700 North Brand Boulevard, 10<sup>th</sup> Floor, Glendale, California 91203.

1.14 “Effective Date” means the date of the Final Approval, if there are no objections to this Stipulation. If there is any objection to this Stipulation, “Effective Date” means the date on which the Court’s order granting Final Approval is no longer appealable or the final resolution of any appeal in any favor of approving the settlement. Thus, this date is the later of the following: (1) the date the Final Approval is entered by the Court if no objections are filed to the settlement, or if any objections are withdrawn prior to Final Approval; (2) if objections are filed and overruled, and no appeal is taken of the final approval order, sixty-five (65) days after the Final Approval is entered by the Court; or (3) if an appeal is taken from the Court’s overruling of objections to the settlement, ten (10) days after the appeal is withdrawn or after an appellate decision affirming the final approval decision becomes final.

1.15 “Final Approval” means the final formal court order signed by the Court following the Final Fairness and Approval Hearing in accordance with the terms herein, approving this Stipulation.

1.16 “Final Approval Date” means the date upon which the Court enters Final Approval, after having determined that the Settlement is fair, adequate, and reasonable to the Class as a whole, following: (i) distribution of the Class Notice to the Class; (ii) an opportunity for Class Members to review the Class Notice and submit timely objections to the Settlement; and (iii) the Final Approval Hearing.

1.17 “Final Approval Hearing” means the hearing set by the Court to: (a) determine whether the Court should give Final Approval to this Settlement; (b) consider any objections made; (c) consider the request for attorney’s fees and costs submitted by Class Counsel; (d) consider the Settlement Administration Costs; (e) consider the PAGA Payment to the State of California Labor and Workforce Development Agency (“LWDA”); and (f) consider the request for the Class Representative Service Award to Plaintiff.

1.18 “Individual Settlement Payment(s)” means the portion of the Net Settlement Amount that each Participating Class Member shall be entitled to receive pursuant to this Settlement.

1.19 “Gross Fund Value” means the total settlement sum of Three Hundred Fifteen Thousand Dollars (\$315,000.00) that Reel Defendants shall be required to pay pursuant to this Settlement on a non-reversionary basis within 36 months of the Final Approval Date. The Reel Defendants will make equal monthly payments of 8,750.00 plus 1/36th of Defendant Reel Security California, Inc.’s employer-side taxes until the Gross Fund Value is fully funded. The Reel Defendants will not pay anything above the Gross Fund Value plus their employer side taxes. The Gross Fund Value includes: (1) all Individual Settlement Payments to Participating Class Member; (2) the Class Representative Service Award; (3) Class Counsel’s fees and costs; (4) all Settlement Administration Costs; and (5) the PAGA Payment. The Maximum Settlement Amount does not include Reel Defendants’ share of all state and federal payroll taxes and withholdings such as FICA, FUTA, UI, ETT, and SDI (“Payroll Taxes”) on Individual Settlement Payments made pursuant to this Stipulation, which will be paid separate and apart from the Maximum Settlement Amount.

1.20 “Net Settlement Amount” means the portion of the Maximum Settlement Amount available for distribution to Participating Class Members after deduction of the Court-approved attorney’s fees and costs to Class Counsel, Settlement Administration Costs, the Class Representative Service Award, and the LWDA’s portion of the PAGA payment.

1.21 “Non-Participating Class Member” means a Class Member who submits a timely and valid Request for Exclusion.

1.22 “Request for Exclusion Deadline” means the date forty-five (45) calendar days after the Settlement Administrator first mails the Class Notice to the Class Member, by which date Class Members who wish to exclude themselves from the Settlement must submit a timely and valid

written Request for Exclusion. The timeliness of a Class Member's Request for Exclusion shall be determined based on the postmarked date of mailing.

1.23 "PAGA Payment" means the sum of Ten Thousand Dollars (\$10,000), which shall be allocated from the Gross Fund Value to pay all applicable penalties under PAGA, seventy-five percent (75%) of which will be paid to the LWDA, with the remaining twenty-five (25%) to be included in the Net Settlement Amount and available for distribution to Participating Class Members and categorized as penalties.

1.24 "Participating Class Member" means a Class Member who does not submit a timely and valid Request for Exclusion and is entitled to receive his or her Individual Settlement Payment pursuant to the terms of the Settlement.

1.25 "Parties" means Plaintiff and Reel Defendants.

1.26 "Parties' Counsel" means Class Counsel and Reel Defendants' Counsel.

1.27 "Preliminary Approval" means the entry of an order by the Court preliminarily approving the Settlement.

1.28 "Qualified Settlement Fund" or "QSF" means the account set up by the Settlement Administrator and from which the Individual Settlement Payments to Participating Class Members shall be made. The QSF shall be an interest-bearing account within the meaning of Section 468B of the Internal Revenue Code of 1986, as amended, and Treas. Reg. Section 1.468B-1, *et seq.*, at a federally-insured bank that is mutually acceptable to the Parties and the Settlement Administrator. The Settlement Administrator shall serve as a Trustee of the QSF and shall act as a fiduciary with handling of all tax-related issues, reporting and payments. The Settlement Administrator shall act in a manner necessary to qualify and maintain the QSF as a Qualified Settlement Fund and the Parties shall cooperate to ensure such treatment and shall not take a position in any filing or before any tax authority inconsistent with such treatment. The Parties agree that the QSF shall be a non-reversionary fund and that under no circumstance will there be any reversion to Reel Defendants of any of the funds from the QSF or the Maximum Settlement Amount.

1.29 "Qualifying Workweek" means any week in which a Participating Class Member actively worked at least one day of the week (i.e., was not on vacation or a leave of absence) as a security guard/security officer during the Class Period, according to Reel Defendants' records. Untimely complaints of Non-Participating Class Members will not be included in the total number of workweeks for purposes of calculating and distributing the Individual Settlement Payments to Participating Class Member.

1.30 "Released Parties" means Defendant Reel Security California, Inc. and Defendants Reel Security Corp., Mario Ramirez, and Bradley Bush and their respective present and former parents, owners, successors, subsidiaries and any affiliated or related persons or entities and each of their respective officers, directors, employees, partners, shareholders, attorneys and agents and any other successors, assigns or legal representatives from the factual allegations pleaded or claims that could have been brought based on the same facts in Plaintiff's operative Complaint.

1.31 “Request for Exclusion” means a letter or written request to be excluded from the Settlement submitted by a Class Member to the Settlement Administrator and postmarked by the Request for Exclusion Deadline. In order to be valid, the Request for Exclusion must include the Class Member’s name and signature, and contain a statement to the effect of: “I wish to be excluded from the Settlement.”

1.32 “Security Guard Class” means all individuals Defendants employed in California as hourly employees and who worked as uniformed security guard employees and other employees of Defendants in comparable positions during the Class Period.

1.33 “Settlement Administrator” means CPT Group, Inc., the third-party entity selected by the Plaintiff and approved by the Court to mail the Class Notice to Class Members and perform all duties relating to the administration of the Settlement.

1.34 “Settlement Administration Costs” means the actual and direct fees and expenses reasonably incurred by the Settlement Administrator in administering the Settlement. Settlement Administration Costs will include, but are not limited to, fees and costs payable to the Settlement Administrator for printing, distributing (including with appropriate postage), and tracking documents for this Settlement, any searches to locate any Class Member, calculating estimated amounts per Class Member, tax reporting, distributing the Individual Settlement Payments, Class Representative Service Award, Class Counsel Fees and Costs, payment to LWDA, and providing necessary certification of completion of notice, reports and declarations, establishing and administering a QSF account, required tax reporting and withholding on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS forms, as well as determining the validity of any disputes (and communicating the determination of those disputes to the disputing class member, Class Counsel and Reel Defendants’ Counsel) and opt-outs, calculating all amounts to be paid from the Maximum Settlement Amount, and such other responsibilities and duties as reasonably and customarily performed by third-party settlement administrators or as requested by the Parties.

1.35 “Waiting Time Penalties Subclass” means all members of the Security Guard Class who separated from their employment with defendant, Reel Security California, Inc. at any time between June 27, 2014 through the date of Preliminary Approval of the Settlement.

## **2. PROCEDURAL HISTORY**

2.1 Plaintiff is a former, non-exempt employee of defendant, Reel Security California, Inc. and worked for Reel Security California, Inc. as a security guard/security officer.

2.2 On June 27, 2018, Plaintiff Vikki Curl filed a Class Action Complaint in the Superior Court for the County of Los Angeles. On August 9, 2018, Plaintiff Curl filed a Request For Dismissal of Only Defendants (1) Reel Security Corp., (2) Mario Ramirez, and (3) Bradley Bush Without Prejudice.

2.3 On December 21, 2018, pursuant to stipulation between the Parties, Plaintiff Curl filed a First Amended Complaint as an “aggrieved employee” under the Private Attorneys General Act of 2004, California Labor Code section 2698 *et seq.* (“PAGA”), dismissing all class allegations, and as against Reel Security California, Inc. only.

2.4 The Los Angeles Superior Court issued an Order deeming the matter complex and staying discovery. Soon after, the Parties agreed to participate in private mediation, exchange informal discovery, and continue the stay pending mediation.

2.5 On June 18, 2019, the Parties participated in a full-day mediation before well-respected mediator Michael A. Latin, Esq. During mediation, the Parties engaged in good-faith, arm's length negotiations. At the conclusion of the mediation, the Parties resolved the Action, subject to the preparation and filing of a Third Amended Complaint to amend the Action adding Plaintiff Grattan as new class representative, adding back the previously dismissed Reel Defendants, and adding back class allegations; execution of this comprehensive Stipulation; and entry of Final Approval by the Court.

### **3. THE PARTIES' POSITION IN THE ACTIONS**

3.1 Reel Defendants deny any liability and wrongdoing of any kind associated with the claims alleged in the Action, and further deny that the Actions are appropriate for class action or PAGA representative action treatment for any purpose other than this Settlement. Reel Defendants in no way admit any violation of law or any liability whatsoever to Plaintiff and/or the Class Members, or "aggrieved" employees, individually or collectively; all such liability being expressly denied. Reel Defendants contend that they complied with the California Labor Code, the IWC Wage Orders and the California Business and Professions Code at all times.

3.2 This Stipulation shall not be admissible or used for any purpose in any other action or proceeding to establish or infer liability or wrongdoing on the part of Reel Defendants. Whether or not the Effective Date occurs, neither this Stipulation nor any of its terms nor the Settlement itself will be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Reel Defendants or any other of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, joint employment, or damage; or (b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further proceeding in the Actions, except for the purposes of effectuating the Settlement pursuant to this Stipulation or for Reel Defendants to establish that a Class Member has resolved any of his/her claims released through this Stipulation.

3.3 Plaintiff believes that the Action is meritorious and that Class Certification is appropriate.

3.4 The Parties engaged in substantial investigation and thoroughly researched the relevant law for each of the causes of action alleged, and the defenses thereto. The Parties interviewed Class Members, conducted a comprehensive investigation into the facts of the case, and reviewed and analyzed all applicable policies and practices, as well as the voluminous sample of time and pay records and other documents produced by defendant Reel Security California, Inc.

3.5 Class Counsel weighed the monetary benefit of the Settlement to the Class against the expense and length of continued proceedings in the trial court and appellate courts that would be necessary to prosecute the Action fully against Reel Defendants. Class Counsel also took into account the uncertain outcome and risk of any further litigation, especially in complex actions such

as these. Based on the data reviewed and Class Counsel's thorough investigation and evaluation of all known facts and circumstances underlying each cause of action, including the possible risk of significant delay and uncertainty associated with litigation, and the various defenses asserted by Reel Defendants, Class Counsel believes that the Settlement is fair, reasonable, and adequate and is in the best interests of all Class Members.

3.6 Reel Defendants and their counsel have similarly concluded that it is desirable that the Actions be settled in the manner and upon the terms and conditions set forth in this Stipulation in order to avoid further expense, inconvenience and distraction of further legal proceedings, as well as the uncertainty of the outcome of the Actions. Therefore, Reel Defendants have determined that it is desirable and beneficial to put to rest the claims in the Action and Reel Defendants agree that the Settlement is fair, reasonable and adequate.

#### 4. SETTLEMENT COMPONENTS

4.1 The Settlement shall have five components: (1) the Individual Settlement Payments; (2) the award of attorney's fees and costs to Class Counsel; (3) the Class Representative Service Award; (4) the Settlement Administration Costs; and (5) the PAGA Payment. All of these components are included in and shall only be paid from the Maximum Settlement Amount.

(a) Payroll Taxes: The Maximum Settlement Amount does not include the Payroll Taxes, which shall be paid by Reel Defendants separate and apart from the Maximum Settlement Amount. The Payroll Taxes will be computed by the Settlement Administrator based on the amounts paid to the Participating Class Member. The Settlement Administrator shall be responsible for making all necessary payments and government filings in connection with such payments.

4.2 **Calculation of Individual Settlement Payments.** The Settlement Administrator shall have the authority and obligation to calculate the amounts of Individual Settlement Payments in accordance with the methodology set forth in this Stipulation and any Orders of the Court. After deducting: (i) the Court-approved Class Representative Service Award to Plaintiff; (ii) the Court-approved attorney's fees and costs to Class Counsel; (iii) the Settlement Administration Costs; and (iv) the portion of the PAGA Payment to the LWDA, each of which is detailed further in sections 4.3 through 4.7 below, the amount remaining in the Maximum Settlement Amount shall constitute the Net Settlement Amount, which the Settlement Administrator will distribute among Participating Class Members as follows:

- (a) The Parties agree that the Individual Settlement Payments will be calculated based on the number of Qualifying Workweeks worked by each Participating Class Member during the Class Period. Relying on the personnel records maintained by defendant, Reel Security California, Inc., the Settlement Administrator will calculate the number of Qualifying Workweeks each Participating Class Member worked as a security guard/security officer during the Class Period.
- (b) Distribution Formula. Participating Class Members shall be allocated a pro-rata portion of the Net Settlement Amount available for distribution based upon their respective number of Qualifying Workweeks. Each Participating Class Member

who is also a member of the Waiting Time Penalty Subclass will receive an allotment of six (6) additional Qualifying Workweeks. The total Qualifying Workweeks for all Participating Class Member, plus the additional Qualifying Workweeks allocated to the Participating Class Member who is also member of the Waiting Time Penalty Subclass, shall be divided into the Net Settlement Amount to calculate a Qualifying Workweek rate. Each Settlement Class Member will be paid the Qualifying Workweek rate for each of their Individual Qualifying Workweeks. Thus, the Individual Settlement Payments shall be calculated using the following formula: Individual Settlement Payments= Net Settlement Amount x (Participating Class Member's Qualifying Workweeks/Total Participating Class Members' Workweeks)

- (c) Each member of the Waiting Time Penalties Subclass will be entitled to receive an allotment of six (6) additional workweeks as a waiting time penalty for calculation of their individual settlement payments only. The entire amount paid to the Waiting Time Penalty Subclass will be allocated as penalties. The six (6) additional workweeks paid to Waiting Time Penalty Subclass Members are not "Qualifying Workweeks" as defined in Paragraph 1.30 above and as such, will not be considered as additional workweeks attributable to the total workweeks estimated in the class period. The additional workweeks allocated by this paragraph to a member of the Waiting Time Penalties Subclass for calculation of their individual settlement payments purposes only will under no circumstance cause the total Qualifying Workweeks to increase and thus, the Maximum Settlement Amount will not increase by the distribution of six (6) workweeks as contemplated by Paragraph 4.2 above.
- (d) The Parties agree that Class Members will not have to submit a claim form in order to receive their Individual Settlement Payment. Each Class Member who does not submit a Request for Exclusion will automatically be mailed checks for their Individual Settlement Payment. As is explained further in section 9 of this Stipulation, any checks that are uncashed after 180 calendar days shall be sent to the California State Controller's Office – Unclaimed Property Fund.
- (e) Subject to approval by the Court, the settlement amounts distributed to Participating Settlement Class Members for their pro-rata portion of the Net Settlement Amount shall be allocated 20% to payment of wages and 80% to penalties and interest. The entire amount paid to the Waiting Time Penalty Subclass will be allocated as penalties. The portion allocated to wages shall be reported on an IRS Form W-2, and the portion allocated to interest and/or statutory penalties shall be reported on an IRS Form 1099. The amount allocated to payment of wages shall not include the amounts to be deducted for the employer share of payroll taxes. Reel Defendants' share of payroll taxes on the 20% amount allocated to payment of wages shall be paid separate and apart from the Gross Settlement Amount. The taxes ordinarily paid by employers relating to the portion of the Individual Settlement Payments paid as wages will be paid by Reel Defendants, separate from the Gross Settlement Amount.



- (f) It shall be the responsibility of the Settlement Administrator to timely and properly withhold from Individual Settlement Payments payable to Class Members all applicable payroll and employment taxes, including all federal, state, and local income taxes, and to prepare and deliver the necessary tax documentation and, thereafter, to cause the appropriate deposits of withholding taxes and informational and other tax return filing to occur.

**4.3 Class Counsel's Attorney's Fees and Costs.** Class Counsel will request a payment in an amount not to exceed one-third of the Maximum Settlement Amount, or One Hundred Five Thousand Dollars (\$105,000.00), to compensate Class Counsel for all of the work already performed in these Actions and all work remaining to be performed, for which Plaintiff or Class Counsel could claim under any legal theory whatsoever, including without limitation, documenting the Settlement, providing any notices required as part of the Settlement, securing Court and/or appellate court approval of the Settlement, ensuring that the Settlement is fairly administered and implemented, and obtaining Final Approval in accordance with the Settlement. The amount paid for Class Counsel's Fees and Costs shall constitute full satisfaction of any obligation to pay any amounts to any person, attorney or law firm for attorneys' fees, expenses or costs in the Actions incurred by any attorney on behalf of Plaintiff and Class Member, and shall relieve Released Parties of all claims or liability to any attorney or law firm for any attorneys' fees, expenses and/or costs that may be claimed on behalf of Plaintiff and/or the Class Member. If the amount awarded to Class Counsel for attorney's fees is less than the amount sought, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Member. Class Counsel will request reimbursement for actual reasonable litigation costs and expenses incurred in prosecuting the Action and implementing the terms of the Settlement, in an amount not to exceed Seventeen Thousand Dollars (\$17,000.00) which shall be paid from the Maximum Settlement Amount. The Parties agree that Settlement of these Actions is not conditioned upon the Court approving the amount of Class Counsel's Fees and Costs requested by Class Counsel and that if the amount awarded to Class Counsel for reimbursement of litigation costs is less than the amount sought, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Member. Reel Defendants agree not object to Class Counsel's request for fees and costs as long as the request is consistent with the terms of this Stipulation. The amount paid for Class Counsel's Fees and Costs will be reported by IRS Form 1099 and will be provided to Class Counsel and the pertinent taxing authorities, as required by law.

**4.4 Class Representative Service Award and Release.** Subject to Court approval and the execution of a general release in favor of the Released Parties, Reel Defendants agree to pay Plaintiff a Class Representative Service Award in an amount not to exceed Five Thousand Dollars (\$5,000.00), to be paid from the Maximum Settlement Amount, in addition to his Individual Settlement Payment. If the Court approves a Class Representative Service Award to Plaintiff that is less than the amount sought, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members.

- (a) The Parties intend this payment to constitute a service payment in consideration for Plaintiff's litigation efforts, and the work and time Plaintiff put into these Actions as Class Representative.

- (b) The Class Representative Service Award is also provided in consideration for Plaintiff's willingness to provide a full general release on his own behalf and on behalf of his heirs, spouses, executors, administrators, attorneys, agents and assigns of any and all claims against the Released Parties regardless of whether such claims have been alleged against Reel Defendants, including any and all known or unknown claims, demands, rights, liabilities, causes of action, losses, debts, and expenses whether for wages, economic damages, non-economic damages, punitive damages, restitution, tort, contract, penalties, injunctive or declaratory relief, attorney's fees, costs, or other monies or remedies. These releases by Plaintiff include all federal and state statutory claims, and federal and state common law claims (including but not limited to those for contract, tort, and equity), as well as, inter alia, the Americans with Disabilities Act, Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964 (as amended), 42 U.S.C. §1981, 42 U.S.C. § 1983, the Fair Labor Standards Act, the Employee Retirement Security Income Act of 1974, the California Constitution, the California Fair Employment and Housing Act, the California Unfair Competition Act (California Business and Professions Code section 17200, *et seq.*), the California Labor Code, the Fair Labor Standards Act, and claims for additional compensation relating to stock options.
- (c) Furthermore, through the general release, the Class Representative himself (and not on behalf of the Class or any other Class Member) shall release, acquit and discharge the Released Parties from any and all claims against the Released Parties of any kind whatsoever (upon any legal or equitable theory whether contractual, common law, constitutional, statutory, federal, state, local or otherwise), whether known or unknown, that arose, accrued or took place at any time on or prior to the date on which the full and general release is executed. Through the full and general release discussed in this Section, the Class Representative will expressly waive the benefit of Section 1542 of the California Civil Code and acknowledges the language of Section 1542 of the California Civil Code, which provides:
- A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.
- (d) Because the Class Representative Service Award represents payment to the Class Representative for services to the Class and not wages, taxes will not be withheld from the Class Representative Service Award. No Party has made any representation to Plaintiff regarding the taxability of any Class Representative Service Award. The Settlement Administrator will report the Class Representative Service Award on a 1099 form, which it will provide to the Class Representative and the pertinent taxing authorities, as required by law.

- (e) The Class Representative assumes full responsibility for paying all federal and state taxes and penalties, if any, due as a result of their receipt of the Class Representative Service Award.
- (f) The Class Representative fully supports the Settlement and believes the Settlement is fair, reasonable and adequate and in the best interest of the Class Members.

4.5 **Payment to the Labor and Workforce Development Agency.** Subject to Court approval, ten thousand dollars (\$10,000) will be allocated to cover any and all claims for civil penalties associated with the Released Claims that were, or could have been, brought in the Actions under PAGA, 75% of which (\$7,500) will be paid directly to the LWDA and the remaining 25% (\$2,500) will be retained in the Net Settlement Amount for distribution to Participating Class Members as penalties in exchange for a full and final release of PAGA claims.

4.6 **Settlement Administration Cost:** The reasonable costs incurred by the Settlement Administrator in administering the settlement, as approved by the Court, shall be deducted from the Maximum Settlement Amount and are currently estimated not to exceed \$25,000.

(a) This administration includes but is not limited to generation of Individual Settlement Payment checks and related tax reporting forms, checking addresses against the National Change of Address database, skip-tracing Class Members as necessary and as described herein, administration of uncashed checks, generation of checks to Class Counsel for attorneys' fees and costs and to Plaintiff for his Incentive Payment, resolution of disputes concerning weeks worked, and such other duties as may be required for the administration of the Settlement. The Settlement Administrator shall expressly agree to all of the terms and conditions of this Stipulation.

(b) All costs of administering the Settlement, including but not limited to all costs and fees associated with preparing, issuing and mailing any and all notices to Class Members and/or Participating Class Members, all costs and fees associated with computing, processing, reviewing, and mailing the Individual Settlement Payments, all costs and fees associated with running addresses against the National Change of Address directory and skip-tracing Class Member, all costs and fees associated with preparing any tax returns and any other filings required by any governmental taxing authority or agency, all costs and fees associated with preparing any other checks, notices, reports, or filings to be prepared in the course of administering disbursements from the Net Settlement Amount, resolution of disputes concerning weeks worked, and any other costs and fees incurred and/or charged by the Settlement Administrator in connection with the execution of its duties under this Stipulation ("Settlement Administration Costs"), shall be paid to the Settlement Administrator from the Gross Settlement Amount.

## 5. SETTLEMENT APPROVAL PROCEDURE

5.1 Solely for purposes of settling these Actions, the Parties stipulate and agree that the prerequisites for establishing class certification with respect to the Class have been met.

5.2 The Parties hereby agree that the formula for allocating the Individual Settlement Payments to Class Members under the terms of this Settlement is reasonable and that the payments provided are designed to provide a fair settlement to Participating Class Member. Based on their

own independent investigation and evaluation, and in light of all known facts and circumstances, the Parties and their respective counsel believe that the Settlement is fair, reasonable, and adequate.

5.3 The Parties and their counsel agree to the conditional certification of the Class for the sole purpose of effectuating this Settlement. Should, for whatever reason, the Settlement not become final, the fact that the Parties were willing to stipulate to class certification as part of the Settlement shall have no bearing on, and shall not be admissible in, these Actions or any other legal proceeding in any jurisdiction. As is discussed elsewhere in this Stipulation, Reel Defendants expressly reserve the right to oppose class certification in these Actions should the Settlement not become final.

5.4 The Parties agree to fully cooperate with each other to accomplish the terms of this Stipulation, including but not limited to, execution of such documents and to take such other actions as may reasonably be necessary to implement the terms of this Stipulation.

5.5 Class Counsel shall seek Preliminary Approval of the Settlement as soon as is practicable. In conjunction with such hearing, Class Counsel shall submit this Joint Stipulation of Settlement, together with the exhibits attached hereto, and any other documents necessary to implement the Settlement.

5.6 Reel Defendants agree not to oppose Plaintiff's Motion for Preliminary Approval unless the motion is inconsistent with the terms set forth in this Settlement.

5.7 On the date set forth in the Preliminary Approval Order, a Final Fairness and Approval Hearing shall be held before the Court in order to (1) review this Stipulation and determine whether the Court should give it final approval, and (2) consider any timely objections made pursuant to Section 3.04(c) above and all responses by the Parties to such objections. At the Final Fairness and Approval Hearing, the Parties shall ask the Court to give final approval to this Stipulation and shall submit to the Court a Proposed Final Order Approving Settlement of Class Action.

5.8 If, after a notice of appeal or a petition for a writ of *certiorari* or any other motion, petition, or application, the reviewing court vacates, reverses, or modifies the Final Order such that there is a material modification to the Settlement, and that court's decision is not completely reversed and the Final Order is not fully affirmed on review by a higher court, then Plaintiff and Reel Defendants will each have the right to void the Settlement, which the Parties must do by giving written notice to the other Parties, the reviewing court, and the Court not later than fourteen (14) days after the reviewing court's decision vacating, reversing, or materially modifying the Final Order becomes final. A vacation, reversal, or modification of the Court's award of an Incentive Payment or Class Counsel's fees or costs will not constitute a vacation, reversal, or material modification of the Final Order within the meaning of this paragraph, provided that Reel Defendants' obligation to make payments remains limited as set forth in this Stipulation.

## 6. NOTICE TO THE CLASS

6.1 Within ten (10) calendar days following the Court's entry of its Order Granting Preliminary Approval of Settlement Reel Defendants shall provide the Settlement Administrator

with a list containing the names, last known addresses, last known telephone numbers, social security numbers of all Class Members, the dates of employment of each Class Member during the Class Period, the last date of employment for each Class Member and all other information necessary for the Settlement Administrator to calculate the number of Qualifying Workweeks worked by each Class Member during the Class Period, which includes any weeks a Participating Class Member worked at least one day of the week and as not on vacation or a leave of absence, and to determine which of the Class Members is also a member of the Waiting Time Penalty Subclass (the “Class Data”).

6.2 Reel Defendants’ Counsel shall consult with the Settlement Administrator prior to the production date to ensure that the format of the database will be acceptable to the Settlement Administrator. The Settlement Administrator shall not share the information in the Class Data, including the identity of Class Members with the Class Representative or Class Counsel, except as otherwise provided herein.

6.3 Prior to mailing the Class Notice to Class Member, the Settlement Administrator shall perform a National Change of Address (NCOA) search and an Accurint (or substantially similar) in-depth skip trace in order to obtain the best possible address for Class Member.

6.4 Within fifteen (15) calendar days after receipt of the Class Data from Reel Defendants, the Settlement Administrator shall mail the Class Court-Approved Notice to all Class Members by first-class U.S. mail.

6.5 The Class Notice will include an estimated calculation of the Class Member’s estimated share of the Net Settlement Amount.

6.6 The Class Notice shall provide that Class Members who wish to exclude themselves from the Settlement must submit a Request for Exclusion to the Settlement Administrator postmarked by the Request for Exclusion Deadline – sixty (60) calendar days following the initial mailing of the Class Notice. Any Class Member who properly requests exclusion will not receive an Individual Settlement Payment and will not be bound by this Settlement or have any right to object, appeal, or comment thereon. Class Members who do not submit a valid and timely Request for Exclusion shall be bound by the terms of the Settlement and any judgment entered in the Actions once the Settlement receives Final Approval. The Class Notice will provide this information to Class Members.

6.7 The Class Notice shall provide that Class Members who wish to object to the Settlement may mail a copy of their written objection to the Settlement Administrator postmarked no later than the Request for Exclusion Deadline. The Class Notice will also provide that Class Members may also appear at the Final Fairness and Approval Hearing and make an oral objection without making a written objection. The Parties will endeavor to persuade the Court to allow Class Members to appear at the final approval hearing telephonically depending on any quarantine or social distancing orders that remain in effect. Class Members who fail to object in the manner specified in this Stipulation of Settlement will be deemed to have waived all objections to the Settlement and will be foreclosed from making any objections, whether by appeal or otherwise, to the Settlement.

6.8 If a Class Notice is returned as undeliverable with a forwarding address provided by the United States Postal Service on or by the Request for Exclusion Deadline, the Settlement Administrator will promptly resend the Class Notice to that forwarding address along with a brief letter stating that the recipient of the Class Notice has until the original deadline set forth on the Class Notice, or ten (10) calendar days after the date of re-mailing of the Class Notice (whichever is later) to submit a Request for Exclusion. If any Class Notice is returned from any mailing and/or re-mailed, the Settlement Administrator will note for its own records and notify the Parties' Counsel of the date of such re-mailings as part of a weekly status report provided to the Parties.

6.9 If a Class Notice is returned as undeliverable without a forwarding address from its first mailing, the Settlement Administrator shall undertake reasonable efforts to locate a current address, including performing an Experian (or substantially similar) in-depth skip trace or mass search on LexisNexis databases based on set criteria. If the Settlement Administrator obtains a more current address, the Settlement Administrator shall resend the Class Notice to that address along with a brief letter stating that the recipient of the Class Notice has until the original deadline set forth on the Class Notice or ten (10) calendar days after the date of re-mailing of the Class Notice (whichever is later) to submit a Request for Exclusion.

6.10 The Settlement Administrator shall provide the Parties' Counsel with a weekly report showing: (1) the number of Class Notices mailed to Class Members; (2) the number of Class Notices returned as undeliverable; (3) the number of re-mailed Class Notices; (4) the number of Class Members who have submitted Requests for Exclusion; (5) the number of Class Members who have submitted objections; and (6) the number of Class Members who have disputed the number of Qualifying Workweeks being credited to that Class Member. Additionally, the Settlement Administrator shall provide to the Parties' Counsel any updated reports regarding the administration of the Settlement as needed or requested.

6.11 At least twenty five (25) calendar days prior to the Final Approval Hearing, the Settlement Administrator will provide a declaration specifying the due diligence the Settlement Administrator has undertaken with regard to the mailing of the Class Notice, including any attempts to obtain valid mailing addresses for and re-mailing of any returned Class Notice; verifying its Settlement Administration Costs; and reporting on the number of objections and exclusions submitted by Class Member, as well as any disputes (and explain the status of the disputes).

## **7. RESPONSES TO NOTICE**

7.1 Resolution of Dispute. If a Class Member who receives the Class Notice wishes to dispute the number of his or her Qualifying Workweeks represented therein, the Class Member must notify the Settlement Administrator no later than the Request for Exclusion Deadline. The Class Member must produce any available supporting evidence to the Settlement Administrator regarding the correct number of Qualifying Workweeks that the Class Member contends he or she worked for Reel Defendants during the Class Period, as explained in the Class Notice. The Settlement Administrator will notify the Parties' Counsel of any disputes via email. Reel Defendants shall review its records and provide information to the Settlement Administrator in response to any such disputes. Reel Defendants' records shall be presumed to be determinative, but the Settlement Administrator shall evaluate the evidence submitted by the Class Member and

make the decision as to which dates should be applied. The determination by the Settlement Administrator shall be final and binding.

7.2 Requests for Exclusion from Class. In order for a Class Member to validly exclude himself or herself from the Class and this Settlement (*i.e.*, to validly opt out), the Class Member or his or her authorized representative must send a Request for Exclusion to the Settlement Administrator, postmarked or faxed by no later than sixty (60) calendar days after the date the Settlement Administrator initially mails the Class Notice to the Class Member or ten (10) calendar days after the Settlement Administrator re-mails the Notice to the Class Member, whichever is later. The date of the initial mailing of the Class Notice was postmarked or faxed, shall be conclusively determined according to the records of the Settlement Administrator. Any Class Member who timely and validly submits a Request for Exclusion will not be entitled to any Individual Settlement Payment, will not be bound by the terms and conditions of this Stipulation, and will not have any right to object to the Settlement or appeal the Court's Orders in this case.

7.3 Any Class Member who fails to timely submit a valid Request for Exclusion shall be deemed a Class Member whose rights and claims with respect to the issues raised in the Actions are determined by the Court's Final Order Approving Settlement of Class Action, and by the other rulings in the Actions. Thus, said Class Member's rights to pursue any claims released in this Stipulation will be extinguished.

7.4 The Settlement Administrator will provide the Parties with the number of valid and timely Request for Exclusion letters received within seven (7) calendar days after the Objection/Exclusion Deadline.

7.5 Objections to Settlement. In order for a Class Member to object to this Stipulation, or any term of it, the person making the objection must not submit a timely request for exclusion (*i.e.*, must not opt out), and may send to the Settlement Administrator, postmarked or faxed no later than the Request for Exclusion Deadline, a completed and signed objection, along with any supporting papers. The Settlement Administrator shall send any objections it receives to Defense Counsel and Class Counsel within three (3) calendar days of receipt. Alternatively, a Class Member may also appear at the Final Fairness and Approval Hearing and make an oral objection without making a written objection. The Court retains final authority with respect to the consideration and admissibility of any Class Member objections.

7.6 Encouragement of Class Members. The Parties to this Stipulation and the counsel representing such Parties shall not, directly or indirectly, through any person, encourage or solicit any Class Member to exclude himself or herself from this Settlement (opt out) or to object to it. However, Class Counsel, Defense Counsel, and Reel Defendants may respond to inquiries from Class Members with truthful information and nothing that discourages participation.

## 8. SETTLEMENT FUNDING AND DISTRIBUTION SCHEDULE

8.1 **Settlement Funding Date:** Reel Defendants shall commence depositing equal monthly payments of \$8,750.00 plus 1/36th of employer-side taxes until the Gross Fund Value is fully funded into the Qualified Settlement Fund set up by the Settlement Administrator no later than fourteen (14) calendar days after the Effective Date.

8.2 **Disbursement Date:** No later than fourteen (14) calendar days after Reel Defendants fund the QSF, the Settlement Administrator shall disburse: (a) Individual Settlement Payments to Participating Class Members; (b) the Class Representative Service Award; (c) the portion of the PAGA Payment to be made to the LWDA; (d) the Settlement Administrator's Costs; (e) Class Counsel's attorney's fees and costs, all as previously approved by the Court; and (f) employer side payroll taxes.

8.3 Within 250 calendar days of the Effective Date of the Settlement, the Settlement Administrator shall provide written certification of such completion to the Court, Class Counsel and Reel Defendants' Counsel. Class Counsel shall file that written certification with the Court.

8.4 The following is a summary of the proposed timeline related to this Settlement:

<b>EVENT</b>	<b>DEADLINE</b>
Preliminary Approval of the Settlement by the Court	TBD
Reel Defendants to provide Settlement Administrator with the list of Class Members and all required Class Member's Data	10 calendar days after entry of the order granting Preliminary Approval
Settlement Administrator to mail Notice to Class Member	15 calendar days after receiving the Class Data
Exclusion Deadline	45 calendar days after mailing of Notice
Settlement Administrator to provide the parties notice of the valid request of exclusion letters received	7 calendar days after the Request for Exclusion Deadline
Deadline for Reel Defendants to exercise their option to cancel the settlement if 5% or more of the Class Members submit a timely and valid request for exclusion	Within 10 calendar days of Request for Exclusion Deadline
Settlement Administrator to provide declaration of due diligence	25 calendar days prior to Final Approval Hearing
Final Approval Hearing	TBD
Effective Date of the Settlement	(1) The date the Final Approval is entered by the Court if no objections are filed to the settlement, or if any objections are withdrawn prior to Final Approval; (2) If objections are filed and overruled, and no appeal is taken of the final approval order, sixty-five (65) days after the Final Approval is entered by the Court; or (3) If an appeal is taken from the Court's overruling of objections to the settlement, ten (10) days after the appeal is withdrawn or after an appellate decision



	affirming the final approval decision becomes final.
Funding Obligation Date	Reel Defendants shall commence depositing equal monthly payments of \$8,750.00 plus 1/36th of employer-side taxes until the Gross Fund Value is fully funded
Settlement Administrator to mail Individual Settlement Payments	14 calendar days after the Reel Defendants make all the necessary payments into the Qualified Settlement Fund
Uncashed Checks Become Void	180 calendar days after mailing of the Individual Settlement Payment Checks and the funds shall be sent to the California State Controller's Unclaimed Property Fund
Settlement Administrator to Provide Certificate of Completion of Settlement	250 calendar days After Effective Date of Settlement

## 9. DISPOSITION OF RETURNED AND UNCASHED CHECKS

9.1 This is a non-reversionary "all-in" settlement. No unclaimed amounts will revert to Reel Defendants.

9.2 Returned Checks. If any Individual Settlement Payments are returned as undeliverable, the Settlement Administrator will take all steps necessary to locate an updated mailing address for the Class Member, including without limitation, using Experian (or substantially similar) in-depth skip-trace. In the event the Settlement Administrator is unable to locate an updated address or the Individual Settlement Payments are returned as undeliverable after a second mailing, the amount of any returned checks shall be sent to the California State Controller's Unclaimed Property Fund.

9.3 Uncashed Checks. Any checks that are not returned but remain uncashed one hundred and eighty (180) calendar days after mailing or remailing (pursuant to paragraph 9.2) shall be sent by the Settlement Administrator to the California State Controller's Unclaimed Property Fund in the name of the Settlement Class Member. Participating Class Members who do not timely cash their Individual Settlement Payments shall be bound by all of the terms of the Settlement, including without limitation, the Released Claims set forth herein.

## 10. TAXATION AND WITHHOLDING

10.1 The Settlement Administrator will be responsible for issuing to the Class Representative, Class Members, and Class Counsel any IRS Form W-2, IRS Form 1099, or any other tax forms as may be required by the Internal Revenue Code of 1986 (the "Code") and this Settlement for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes and other legally required withholdings to the appropriate government authorities to pay for the employer's share of payroll taxes as set forth

below. If the Code, the regulations promulgated thereunder, or other applicable tax law, is changed after the date of this Stipulation, the processes set forth in this section may be modified in a manner to bring Reel Defendants into compliance with any such changes.

10.2 Reel Defendants' Counsel and Class Counsel make no warranty and have provided no advice regarding the tax treatment of Individual Settlement Payments to Participating Class Members pursuant to the terms of this Settlement. All taxes, other than the employer's share of payroll taxes, which are not a part of the Maximum Settlement Amount, are the sole responsibility of the Participating Class Members.

10.3 Circular 230 Disclaimer. Each party to this Stipulation (for purposes of this section, the "acknowledging party" and each party to this Stipulation other than the acknowledging party, an "other party") acknowledges and agrees that: (1) no provision of this Stipulation, and no written communication or disclosure between or among the parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of united states treasury department circular 230 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Stipulation, (b) has not entered into this Stipulation based upon the recommendation of any other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party; and (3) no attorney or adviser to any other party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Stipulation.

10.4 Individual Settlement Payments paid to Participating Class Members shall not be deemed pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any employee benefits (e.g., vacations, holiday pay, retirement plans, etc.). The Parties agree that Individual Settlement Payments to Participating Class Members do not represent any modification of Participating Class Member's previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by the Released Parties. Any Individual Settlement Payments paid pursuant to this Settlement shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by the Released Parties.

10.5 The Payroll Taxes and any other applicable employer withholdings or contributions will be computed by the Settlement Administrator based on the amounts paid to Participating Class Members. The Settlement Administrator shall be responsible for making all necessary payments and government filings in connection with such payments.

10.6 No person shall have any claim against Reel Defendants, Reel Defendants' Counsel, Plaintiff, the Class, Class Counsel or the Settlement Administrator based on mailings, distributions and payments made in accordance with this Stipulation of Settlement.

## 11. RELEASE BY THE CLASS

11.1 In exchange for the consideration recited in this Settlement, upon the Effective Date, Plaintiff and all Class Members who do not timely submit a Request for Exclusion do hereby and forever release, acquit, and discharge Reel Defendants and their respective present and former parents, owners, successors, subsidiaries, and any affiliated or related persons or entities and each of their respective officers, directors, employees, partners, shareholders, attorneys and agents and any other successors, assigns or legal representatives (“the Released Parties”) from any and all demands, rights, liabilities, claims, and/or causes of action, known or unknown, for all the Labor Code sections alleged in Plaintiff’s operative complaints and/or the to-be-filed Second Amended Complaint or claims that could have been brought based on the same set of facts (“the Released Claims”) during the Class Period, which includes claims for:

- (a) Failure to provide rest breaks, or premium pay for on-duty rest breaks;
- (b) Failure to provide meal periods, or premium pay for on-duty meal periods;
- (c) Failure to reimburse all business-related expenses;
- (d) Failure to pay all overtime wages;
- (e) Failure to timely pay all wages due during, and upon separation of, employment;
- (f) Failure to provide accurate itemized wage statements;
- (g) Failure to maintain accurate records;
- (h) Violation of Cal. Business and Professions Code §§ 17200, *et seq.*, arising from the claims that are asserted, or could have been asserted, based upon the facts alleged in the Complaints and/or the to-be filed Third Amended Complaint;
- (i) Penalties provided under Cal. Labor Code sections 226.7, 512, and 558, and the applicable IWC Wage Order for failure to provide meal and rest periods;
- (j) Penalties provided under Cal. Labor Code sections 1194 and 1197.1 and the applicable IWC Wage Order for failure to pay minimum wages;
- (k) Penalties provided under Cal. Labor Code sections 510, 558, and 1194, and the applicable IWC Wage Order for failure to pay overtime wages;
- (l) Liquidated damages provided under California Labor Code section 1194.2 for failure to pay minimum wages;
- (m) Penalties provided under Cal. Labor Code sections 201, 202, 203, 204, and 210 for failure to timely pay all wages owed;

- (n) Penalties under Cal. Labor Code section 226 and 246, made available under the Private Attorneys General Act, for failure to provide accurate itemized wage statements and written notice of sick leave;
- (o) Penalties under Cal. Labor Code section 1174 and the applicable IWC Wage Order, made available under the Private Attorneys General Act, for failure to maintain accurate records;
- (p) Penalties under Cal. Labor Code section 2698 *et seq.* predicated on alleged California Labor Code violations or penalties that were asserted or could have been asserted based upon the facts alleged in the Actions (which include Cal. Labor Code sections 201, 201.3, 202, 203, 204, 210, 223, 225.5, 226, 226.3, 226.7, 246, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, and 2802); and
- (q) Related damages, restitution, disgorgement, interest, attorneys' fees, costs, or expenses relating to any such claims.

## 12. VOIDING THE AGREEMENT

12.1 Because the Parties have stipulated to the certification of the Class with respect to all causes of action alleged in the Actions for settlement purposes only, this Stipulation requires preliminary and final approval by the Court. Accordingly, the Parties enter into this Stipulation on a conditional basis. This Stipulation is contingent upon the approval and certification by the Court.

12.2 If the Effective Date does not occur, the fact that the Parties were willing to stipulate for the purposes of this Stipulation to a Class shall have no bearing on, nor be admissible in connection with, the issue of certification of the Class with respect to all causes of action alleged in the Actions. Reel Defendants do not consent to certification of the Class for any purpose other than to effectuate settlement of the Actions. If the Effective Date does not occur, or if Disposition of these Actions is not effectuated, any certification of the Class will be vacated and the Plaintiff, Reel Defendants and the Class will be returned to their positions with respect to the Actions as if the Stipulation had not been entered into.

12.3 In the event that the Effective Date does not occur: (a) any Court orders preliminarily or finally approving certification of any class contemplated by this Stipulation shall be null, void, and vacated, and shall not be used or cited thereafter by any person or entity; and (b) the fact of the settlement reflected in this Stipulation, the fact that Reel Defendants did not oppose the certification of a Class under this Stipulation, or that the Court preliminarily approved the certification of the Class, shall not be used or cited thereafter by any person or entity, including in any manner whatsoever, including without limitation any contested proceeding relating to the certification of any class.

12.4 If the Effective Date does not occur, this Stipulation and any of the related negotiations or proceedings shall be deemed null and void, shall be of no force or effect whatsoever, and shall not be referred to or used for any purpose whatsoever. All Parties to this Stipulation shall stand in the same position, without prejudice, as if the Stipulation had been neither entered into nor filed with the Court. The fact that the Parties were willing to stipulate to class

certification of all causes of action pled in the Actions as part of the Settlement will have no bearing on, and will not be admissible in connection with, the issue of whether the Class should be certified by the Court in a non-settlement context in this Actions or any other action. Reel Defendants expressly reserve the right to challenge the propriety of class certification in the Actions for any purpose, if the Effective Date does not occur.

12.5 The Parties and their respective counsel shall take all steps that may be requested by the Court relating to the approval and implementation of this Stipulation and shall otherwise use their respective best efforts to obtain Court approval and implement this Stipulation. If the Court does not grant the Motion for Preliminary Approval and/or the Motion for Final Approval, the Parties agree to meet and confer to address the Court's concerns. If the Parties are unable to agree upon a resolution, the Parties agree to seek the assistance of mediator Hon. Michael Latin to resolve the dispute.

12.6 Released Parties' Right to Revoke: Released Parties have the right in their sole and exclusive discretion to terminate and withdraw from the Settlement at any time prior to the entry of the trial court's Order for Final Approval of the Settlement if any of the following occur: (a) the Settlement is construed in such a fashion that Released Parties are required to pay more than the Maximum Settlement Amount; or (b) the Court does not certify the Settlement Class as described herein, or does not certify a class releasing all of the Released Claims defined herein, or otherwise makes an order materially inconsistent with any of the terms of this Settlement Agreement (except for an order reducing Class Counsel's proposed attorneys' fees or litigation costs, or the Class Representative Enhancement Payment); or (c) the Court does not grant preliminary or final approval of the Settlement. Additionally, Released Parties have the right, but not the obligation, in its sole and exclusive discretion to terminate and withdraw from the Settlement if five percent (5%) or more of the Class Members submit a timely and valid Request for Exclusion. Released Parties must exercise this right within ten (10) calendar days after the Settlement Administrator notifies the Parties of the number of valid and timely Request for Exclusion letters received, which the Settlement Administrator must do within seven (7) calendar days after the Objection/Exclusion Deadline. If Released Parties choose to withdraw it will be responsible for all costs incurred by the Settlement Administrator in administering the settlement up through the date of withdrawal. To terminate the settlement on this basis, Released Parties must provide notice to Class Counsel of its intent to terminate the Settlement. If for any reason the Settlement is not approved by the Court, or if a Party terminates and withdraws from the Settlement pursuant to this paragraph, this Settlement Agreement and any related settlement documents shall be null and void, and any class certified for settlement purposes will be vacated. In such an event, neither the Settlement Agreement, nor the settlement documents, nor the negotiations leading to the Settlement may be used as evidence for any purpose, and Released Parties shall retain the right to challenge all claims and allegations in the action, to assert all applicable defenses, and to dispute the propriety of class certification on all applicable grounds Released Parties may void the Settlement.

12.7 In the event a timely appeal is filed from the Final Approval Order and Judgment, the Final Order shall be stayed and the Gross Settlement Amount shall not be distributed pending the completion of the appeal.

12.8 Invalidation of any material portion of this Stipulation shall invalidate this Stipulation in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect.

### 13. MISCELLANEOUS PROVISIONS

13.1 Reel Defendants' Costs: All of Reel Defendants' own legal fees, costs, and expenses incurred in these Actions shall be borne by Reel Defendants.

13.2 The Parties agree to cooperate in the settlement administration process and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement, noting that the cost of administering the Settlement shall be deducted from the Maximum Settlement Fund subject to approval by the Court.

13.3 Authority to Enter into Settlement: The signatories hereto represent that they are fully authorized to enter into this Settlement and bind the Parties to the terms and conditions herein.

13.4 Cooperation in Drafting: The Parties have cooperated in the negotiation and preparation of this Stipulation. This Stipulation will not be construed against any Party on the basis that the Party, or the Party's counsel, was the drafter or participated in the drafting of this Stipulation.

13.5 Mutual Full Cooperation: The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement, including, but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Settlement. The Parties shall use their best efforts, including all efforts contemplated by this Settlement and any other efforts that may become necessary by order of the Court to effectuate this Settlement and the terms set forth herein. In the event the Parties are unable to reach an Stipulation on the form or content of any document needed to implement the Settlement, or on any supplemental provisions or actions that may become necessary to effectuate the terms of this Settlement, the Parties shall seek the assistance of the Court to resolve such disagreement.

13.6 No Admission: Nothing contained herein, nor the consummation of this Settlement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Reel Defendants or any of the other Released Parties. Each of the Parties hereto has entered into this Settlement with the intention of avoiding further disputes and litigation with the attendant risk, inconvenience and expenses. This Settlement is a settlement document and shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408 and/or any other similar law, be inadmissible as evidence in any proceeding, except an action or proceeding to approve the Settlement, and/or interpret or enforce this Settlement.

13.7 Construction: The Parties agree that the terms and conditions of this Settlement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that this Settlement shall not be construed in favor of or against any of the Parties by reason of the extent to which any Party participated in drafting this Settlement.

13.8 Headings: The descriptive heading of any section or paragraph of this Stipulation is inserted for convenience of reference only and does not constitute a part of this Stipulation and shall not be considered in interpreting this Stipulation.

13.9 Representation by Counsel: The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Stipulation, and that this Stipulation has been executed with the consent and advice of counsel.

13.10 No Reliance on Representations: The Parties have made such investigation of the facts and the law pertaining to the matters described herein and to this Stipulation as they deem necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact or law, made by any of the other parties, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Stipulation, or with respect to any other matters. No representations, warranties, or inducements have been made to any party concerning this Stipulation.

13.11 Notice: All notices, demands, or other communications given under this Stipulation must be in writing and addressed to Class Counsel and/or Reel Defendants' Counsel using the contact information outlined under sections 1.4 and 1.14 of this Stipulation.

13.12 Jurisdiction of the Court: Except for those matters to be resolved by the Settlement Administrator as expressly stated, any dispute regarding the interpretation or validity of this Settlement, or relating to the Actions or the Released Claims, shall be subject to the exclusive jurisdiction of the Court, and Plaintiff, Class Member, and Reel Defendants agree to submit to the personal and exclusive jurisdiction of the Court pursuant to California Code of Civil Procedure section 664.6 and California Rule of Court 3.769(h). The Disposition entered by the Court will not adjudicate the merits of the Actions or the liability of the Parties resulting from the allegations of the Actions. The Court shall retain jurisdiction solely with respect to the interpretation, implementation and enforcement of the terms of this Settlement and all orders, judgments entered in connection therewith, and post-judgment matters. The prevailing party to any enforcement actions of this Agreement shall be entitled to recover its attorneys' fees and costs related to such enforcement actions.

13.13 California Law Governs: All terms of this Settlement and exhibits hereto shall be governed by and interpreted according to the laws of the State of California, regardless of its conflict of laws.

13.14 Invalidity of Any Provision: The Parties request that before declaring any provision of this Stipulation of Settlement invalid, the Court shall first attempt to construe all provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions in this Stipulation of Settlement valid and enforceable.

13.15 Amendment or Modification: This Settlement may be amended or modified only by a written instrument signed the Parties or their successors-in-interest.

13.16 Interim Stay of Proceedings: The Parties agree to hold in abeyance all proceedings in the Actions, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval Hearing to be conducted by the Court.

13.17 Counterparts and Fax/Electronic Signatures: This Settlement may be executed in counterparts. When each of the Parties has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully-signed Settlement, which shall be binding upon and effective as to all Parties. A fax or electronic signature, such as DocuSign, on this Stipulation shall be as valid as an original signature.

13.18 Entire Agreement: This Stipulation and exhibits hereto constitute the entirety of the Settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties, and this Stipulation supersedes all prior agreements and understandings among the Parties hereto with respect to the settlement of the Actions, including correspondence between Class Counsel and Defense Counsel and drafts of prior agreements or proposals. The Parties expressly recognize that California Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a) provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and agree that no such extrinsic oral or written representations will modify, vary or contradict the terms of the Settlement. In case of any conflict between text contained in Sections 1 through 14 of this Stipulation and text contained in the Exhibits to this Stipulation, the former (*i.e.*, Sections 1 through 14) shall be controlling, unless the Exhibits are changed by or in response to a Court order. There are no restrictions, promises, representations, warranties, covenants, or undertakings governing the subject matter of this Stipulation other than those expressly set forth or referred to herein.

13.19 Waiver: Any failure of any Party, Defense Counsel, or Class Counsel hereto to comply with any obligation, covenant, agreement, or condition herein may be expressly waived in writing, to the extent permitted under applicable law, by the Party or Parties and their respective counsel hereto entitled to the benefit of such obligation, covenant, agreement, or condition. A failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

13.20 No Prior Assignments: The Parties and the Parties' Counsel represent 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 liability, claim, demand, action, cause of action or right released and discharged in this Stipulation of Settlement.

13.21 Assignment: None of the rights, commitments, or obligations recognized under this Stipulation may be assigned by any Party, Class Member, Class Counsel, or Defense Counsel without the express written consent of each other Party and their respective counsel. The representations, warranties, covenants, and agreements contained in this Stipulation are for the sole benefit of the Parties under this Stipulation, and shall not be construed to confer any right or to avail any remedy to any other person.



13.22 Binding on Successors and Assigns: This Settlement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties to this Settlement.

13.23 Deadlines Falling on Weekends or Holidays: To the extent that any deadline set forth in this Stipulation falls on a Saturday, Sunday or legal holiday, that deadline shall be continued until the following business day.

**IT IS SO AGREED.**

11 / 05 / 2020

Dated: \_\_\_\_\_, 2020

**PLAINTIFF, ANTHONY J. GRATTON, on behalf of himself, and as an “Aggrieved Employee” on behalf of other “Aggrieved Employees” under the Labor Code Private Attorney General Act, and the Class**

*Anthony Gratton*

\_\_\_\_\_  
ANTHONY J. GRATTON

Dated: \_\_\_\_\_, 2020

**DEFENDANT, REEL SECURITY CALIFORNIA, INC.**

By: \_\_\_\_\_  
(Authorized Representative of Defendant)

Dated: \_\_\_\_\_, 2020

**DEFENDANT, REEL SECURITY CORP.**

By: \_\_\_\_\_  
(Authorized Representative of Defendant)

Dated: \_\_\_\_\_, 2020

**DEFENDANT, MARIO RAMIREZ**

\_\_\_\_\_  
MARIO RAMIREZ

13.22 Binding on Successors and Assigns: This Settlement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties to this Settlement.

13.23 Deadlines Falling on Weekends or Holidays: To the extent that any deadline set forth in this Stipulation falls on a Saturday, Sunday or legal holiday, that deadline shall be continued until the following business day.

**IT IS SO AGREED.**

Dated: \_\_\_\_\_, 2020

**PLAINTIFF, ANTHONY J. GRATTON, on behalf of himself, and as an “Aggrieved Employee” on behalf of other “Aggrieved Employees” under the Labor Code Private Attorney General Act, and the Class**

\_\_\_\_\_  
ANTHONY J. GRATTON

Dated: 11/5/2020, 2020

**DEFENDANT, REEL SECURITY CALIFORNIA, INC.**

By: DocuSigned by:  
Bradley Bush  
189D2E7E884E4A0...  
(Authorized Representative of Defendant)

Dated: 11/5/2020, 2020

**DEFENDANT, REEL SECURITY CORP.**

By: DocuSigned by:  
Mario Ramirez  
F979C4C07B2A456...  
(Authorized Representative of Defendant)

Dated: 11/5/2020, 2020

**DEFENDANT, MARIO RAMIREZ**

By: DocuSigned by:  
Mario Ramirez  
F979C4C07B2A456...  
MARIO RAMIREZ

Dated: 11/5/2020, 2020

**DEFENDANT, BRADLEY BUSH**

DocuSigned by:  
*Bradley Bush*  
109D2E7E694E4A0...  
\_\_\_\_\_  
**BRADLEY BUSH**

APPROVED AS TO FORM AND CONTENT:

Dated: \_\_\_\_\_, 2020

**CLASS COUNSEL:**  
**THE SPIVAK LAW FIRM**

By: \_\_\_\_\_  
**DAVID SPIVAK**  
**MARALLE MESSRELIAN**

Attorneys for Plaintiff, ANTHONY J. GRATTON, on behalf of himself, and as an "Aggrieved Employee" on behalf of other "Aggrieved Employees" under the Labor Code Private Attorney General Act

DATED: \_\_\_\_\_, 2020

**REEL DEFENDANTS' COUNSEL:**  
**BRADLEY & GMELICH LLP**

BY: \_\_\_\_\_  
**BARRY A. BRADLEY**  
**JAIMEE K. WELLERSTEIN**

Attorney for Defendant, REEL SECURITY CALIFORNIA, INC. and Former Defendants, REEL SECURITY CORP., MARIO RAMIREZ, and BRADLEY BUSH

Dated: \_\_\_\_\_, 2020

**DEFENDANT, BRADLEY BUSH**

\_\_\_\_\_  
BRADLEY BUSH

APPROVED AS TO FORM AND CONTENT:

11 / 04 / 2020  
Dated: \_\_\_\_\_, 2020

**CLASS COUNSEL:**  
THE SPIVAK LAW FIRM

By: \_\_\_\_\_  
  
DAVID SPIVAK  
MARALLE MESSRELIAN

Attorneys for Plaintiff, ANTHONY J. GRATTON, on behalf of himself, and as an "Aggrieved Employee" on behalf of other "Aggrieved Employees" under the Labor Code Private Attorney General Act

DATED: \_\_\_\_\_, 2020

**REEL DEFENDANTS' COUNSEL:**  
BRADLEY & GMELICH LLP

BY: \_\_\_\_\_  
BARRY A. BRADLEY  
JAIMEE K. WELLERSTEIN

Attorney for Defendant, REEL SECURITY CALIFORNIA, INC. and Former Defendants, REEL SECURITY CORP., MARIO RAMIREZ, and BRADLEY BUSH

Dated: \_\_\_\_\_, 2020

**DEFENDANT, BRADLEY BUSH**

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BRADLEY BUSH

APPROVED AS TO FORM AND CONTENT:

Dated: \_\_\_\_\_, 2020

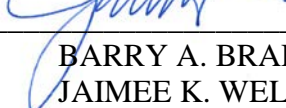
**CLASS COUNSEL:**  
THE SPIVAK LAW FIRM

By: \_\_\_\_\_  
DAVID SPIVAK  
MARALLE MESSRELIAN

Attorneys for Plaintiff, ANTHONY J. GRATTON, on behalf of himself, and as an "Aggrieved Employee" on behalf of other "Aggrieved Employees" under the Labor Code Private Attorney General Act

Dated: November 5, 2020

**REEL DEFENDANTS' COUNSEL:**  
BRADLEY & GMELICH LLP

BY:  \_\_\_\_\_  
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JAIMEE K. WELLERSTEIN

Attorney for Defendant, REEL SECURITY CALIFORNIA, INC. and Former Defendants, REEL SECURITY CORP., MARIO RAMIREZ, and BRADLEY BUSH