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**SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
**FOR THE COUNTY OF SAN DIEGO**

CAROLYN MCCORMICK and TERRIE BEAMS,	)	CASE NO.:37-2017-00021109-CU-OE-CTL
on behalf of themselves and all others similarly	)	
situated,	)	
	)	<b>STIPULATION FOR</b>
Plaintiffs,	)	<b>CLASS ACTION SETTLEMENT</b>
	)	
vs.	)	
	)	
THE WATCHLIGHT CORPORATION, a	)	
California Corporation; ALARM RELAY, INC., a	)	
California Corporation; and DOES 1 through 500,	)	
inclusive,	)	
	)	
Defendants.	)	

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1                                    **CLASS ACTION SETTLEMENT AGREEMENT**

2            This Stipulated Class Action Settlement (“Stipulation”) is entered into as of  
3 the last date signed by the Parties hereto and their counsel. It is entered into by and  
4 among plaintiffs Carolyn McCormick and Terrie Beams (“Plaintiffs” or “Class  
5 Representatives”), on behalf of themselves and all other similarly situated  
6 employees, as representatives of the class, which is stipulated to for purposes of this  
7 settlement only, by and through their attorneys, Advantage Law Group, APC (“Class  
8 Counsel”), and defendants The Watchlight Corporation and Alarm Relay, Inc.,  
9 (hereinafter collectively “Watchlight” or “Defendants”), by and through their  
10 attorneys Yale & Baumgarten LLP and Dente Law P.C. The Class Representatives  
11 and Defendants are collectively referred to herein as “the Parties.”

12                                    **RECITALS**

13            A.     On June 12, 2017, Plaintiffs filed a Complaint, initiating a class action  
14 lawsuit against Defendants in the San Diego County Superior Court, entitled *Carolyn*  
15 *McCormick and Terrie Beams v. The Watchlight Corporation and Alarm Relay, Inc.*  
16 Case No. 37-2017-000021109-CU-OE-CTL. The Complaint alleges causes of  
17 Action for (1) failure to provide meal periods under California law; (2) failure to  
18 provide properly itemized wage statements under California law; (3) waiting time  
19 penalties under California Labor Code § 203 for failure to pay final wages in  
20 violation of California Labor Code §§ 201-202; and unlawful and unfair business  
21 acts and practices in violation of California Business & Professions Code §§ 17200  
22 *et seq.*

23            B.     Plaintiffs were formerly employed by Watchlight as dispatchers and  
24 data entry personnel within Watchlight’s Central Station in El Cajon, California.  
25 The Complaint alleges claims on behalf of the following putative class:

26                    “All persons employed in a non-exempt capacity in either the dispatch  
27 or data entry departments for Defendants in the State of California at  
28 any time from June 12, 2013 through the date of trial.”

1 C. Whereas, during the course of discovery, Plaintiffs requested and  
2 Defendants provided information and discovery concerning Watchlight's meal  
3 period and rest break policies, payroll policies, wage statement and wage practices  
4 and other discovery. During the course of the litigation, dozens of putative class  
5 members were advised of the claims alleged in the Lawsuit and voluntarily entered  
6 into releases waiving, among others, the claims alleged in the Lawsuit in exchange  
7 for direct payment from Defendants.

8 D. On December 7, 2017, the Parties participated in a full-day mediation  
9 with Craig Higgs, Esq., a neutral and well-respected mediator. On that date, the  
10 Parties were unable to reach a resolution. During the course of the mediation, the  
11 Parties addressed both the merits and the value of claims alleged in the Original  
12 Complaint as well as potential claims relating to rest breaks and claims under the  
13 Private Attorney Generals Act of 2004, California Labor Code §§ 2698 *et seq.* Over  
14 the next several months, Mediator Higgs worked with the Parties to bridge the gap.  
15 Ultimately, on February 28, 2018, Mediator Higgs made a mediator's proposal that  
16 was accepted by the Parties. At all times, the Parties' negotiations were adversarial,  
17 non-collusive, and at arm's length.

18 E. The Parties are sufficiently familiar with the facts of the Lawsuit and the  
19 applicable law so as to warrant settlement at this time. Defendants have provided  
20 Class Counsel with information regarding the Alleged Claims including records such  
21 as: time records, payroll records including hours worked and wages paid to the  
22 putative class members, the itemized wage statements provided to Plaintiffs, and  
23 company policies and procedures for meal periods and rest breaks. Both  
24 Defendants' Counsel and Class Counsel have analyzed and calculated Defendants'  
25 potential liability, under various assumptions, for the Alleged Claims.

26 F. The Parties are represented by competent counsel and have had the  
27 opportunity to consult with counsel prior to the submission of this Stipulation to the  
28 Court.

1           G.     Nothing in this Stipulation, nor the fact of the Stipulation itself, shall be  
2 construed or deemed an admission of liability, culpability, negligence or wrongdoing  
3 of any kind on the part of Defendants with respect to the claims alleged in the  
4 Lawsuit.

5           H.     Defendants deny all the claims and contentions alleged by the Class  
6 Representatives in the Lawsuit. Nonetheless, Defendants have concluded that  
7 further litigation would be protracted, expensive, and would also divert management  
8 and employee time. Defendants have taken into account the uncertainty and risks  
9 inherent in litigation, especially in multi-party cases. Defendants have therefore  
10 concluded that it is desirable that the Lawsuit be fully and finally settled in the  
11 manner and upon the terms and conditions set forth in this Stipulation.

12           I.     The Class Representatives and Class Counsel believe that the claims  
13 asserted in this Lawsuit have merit. Class Counsel, however, recognizes and  
14 acknowledges the significant expense and length of continued proceedings necessary  
15 to prosecute the litigation against Defendants through trials and through appeals.  
16 Class Counsel is also mindful of the inherent problems of proof and possible  
17 defenses to the claims asserted and to class certification. Class Counsel is also  
18 mindful of the factual circumstances of this particular action throughout the class  
19 period. After careful consideration and mediation, the Class Representatives and  
20 Class Counsel have concluded that it is desirable that this class action lawsuit be  
21 fully and finally settled in the manner and upon the terms and conditions set forth in  
22 this Stipulation. Both Class Counsel and the Class Representatives believe that the  
23 settlement set forth in this Stipulation confers substantial benefits upon the  
24 Settlement Class and each of the Class Members.

25           J.     Both Parties recognize the inherent risk in proceeding with wage and  
26 hour class action litigation based on the instability in California wage and hour law.  
27 Both Parties agree that the settlement set forth herein adequately balances the risk of  
28 proceeding with the Lawsuit against any potential recovery for the Class Members,

1 and therefore the settlement represents a reasonable, adequate, fair, and just  
2 compromise of the claims asserted in the Lawsuit.

3 K. Pursuant to California Evidence Code sections 1152 and 1154, this  
4 Stipulation and any related documents filed or created in connection with it shall be  
5 inadmissible in evidence in any proceeding, except as necessary to approve, interpret  
6 or enforce this Stipulation, or as may specifically be permitted in Section 12.8 below.

7 **TERMS OF AGREEMENT**

8 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and  
9 between the Class Representatives, for themselves and for the Classes (as defined  
10 hereafter), and Defendants that, subject to the conditions precedent set forth in  
11 Section 2 below, the Lawsuit and the Released Claims shall be finally and fully  
12 compromised, released, resolved, relinquished, discharged and settled and without  
13 any adverse findings or conclusions against Defendant or anyone else, upon and  
14 subject to the terms and conditions of this Stipulation, as follows:

15 **1. DEFINITIONS**

16 As used in this Stipulation, the following terms shall have the meanings  
17 specified below:

18 1.1 "Alleged Claims" shall mean the claims that are alleged in the First  
19 Amended Complaint (defined below) as a result of the alleged conduct. The Alleged  
20 Claims are: (1) failure to provide meal periods under California law; (2) failure to  
21 authorize and permit rest breaks under California law; (3) failure to provide properly  
22 itemized wage statements under California law; (4) waiting time penalties under  
23 California Labor Code § 203 for failure to pay final wages in violation of California  
24 Labor Code §§ 201-202; (5) unlawful and unfair business acts and practices in  
25 violation of California Business & Professions Code §§ 17200 *et seq.*; and (6) claims  
26 for civil penalties under PAGA. The Alleged Claims include the allegation that  
27 Defendants committed unfair business practices under California Business &  
28 Professions Code Section 17200 by the alleged conduct, and all claims to entitlement

1 to damages, restitution, civil and/or statutory penalties (including penalties imposed  
2 or made collectible by the Labor Code Private Attorney General Act (a.k.a.  
3 "PAGA")), interest, attorneys' fees, costs, declaratory and other equitable relief as a  
4 result of the alleged conduct.

5 1.2 "Settlement Administrator" means CPT Group, Inc., which shall act as  
6 an independent third party Settlement Administrator.

7 1.3 "Settlement Administration Costs" shall have the meaning set forth in  
8 Section 9.3 of this Stipulation.

9 1.4 "Class" means the class comprised of all Putative Class Members.

10 1.5 "Class Counsel" means Advantage Law Group APC.

11 1.6 "Class Counsel Award" shall have the meaning set forth in Section 9.1  
12 of this Stipulation.

13 1.7 "Class List" shall have the meaning set forth in Section 5.3 of this  
14 Stipulation.

15 1.8 "Class Members" means all Putative Class Members who have not  
16 opted out of the Settlement after the Notice Period and who are therefore in the Class  
17 that are certified for purposes of Settlement only, following the entry of an  
18 appropriate Order by the Court.

19 1.9 "Class Period" means the period from June 12, 2013 through the Date  
20 of Preliminary Approval.

21 1.10 "Class Representatives" means Carolyn McCormick and Terrie Beams.

22 1.11 "Class Settlement Amount" shall have the meaning set forth in Section  
23 4.1 of this Stipulation.

24 1.12 "Company" means defendants The Watchlight Corporation and Alarm  
25 Relay, Inc. (collectively "Watchlight" or "Defendants").

26 1.13 "Compensable Workweeks" shall have the meaning set forth in Section  
27 4.4 of this Stipulation.

28 1.14 "Consideration for Release" shall have the meaning set forth in Section

1 9.4 of this Stipulation.

2 1.15 "Court" means the The Superior Court of California for the County of  
3 San Diego, the Honorable Timothy Taylor presiding, or any judge to whom the case  
4 is reassigned..

5 1.16 "Date of Final Approval" means the date the Court enters an order  
6 granting final approval of the Settlement.

7 1.17 "Date of Final Judgment" means the date the Court renders and enters  
8 the judgment or order in the Lawsuit upon Final Approval of the Settlement.

9 1.18 "Date of Preliminary Approval" means the date the Court enters an  
10 order granting preliminary approval of the Settlement.

11 1.19 "Deemed Mailed" shall have the meaning set forth in Section 5.5 of this  
12 Stipulation.

13 1.20 "Defendants" means defendants The Watchlight Corporation and Alarm  
14 Relay, Inc.

15 1.21 "Effective Date" means: (i) the date of expiration of the time to file  
16 appeals regarding an Order granting final approval; or (ii) if such an appeal is filed,  
17 the resolution of any such appeals in a way that does not alter the terms of the  
18 settlement.

19 1.22 "Enhancement Service Award" shall have the meaning set forth in  
20 Section 9.2 of this Stipulation.

21 1.23 "Final Approval Hearing" means the hearing at which the Court  
22 considers whether to grant final approval of the Settlement.

23 1.24 "Final Judgment" and/or "Judgment" means the judgment or order to be  
24 rendered and entered by the Court in the Lawsuit upon Final Approval of the  
25 Settlement.

26 1.25 "First Amended Complaint" shall mean the Complaint attached hereto  
27 as **Exhibit A**, which reflects not only the claims alleged in the Original Complaint,  
28 but claims relating to an alleged failure to provide rest breaks and civil penalty

1 claims under PAGA on behalf of non-exempt Central Station employees employed  
2 by Watchlight in California at any time between June 12, 2013 and the Date of  
3 Preliminary Approval.

4 1.26 "Individual Class Member Payment" shall have the meaning set forth in  
5 Section 4.4 of this Stipulation.

6 1.27 "Last Known Address" means the most recently recorded mailing  
7 address for a Putative Class Member as such information is contained in employment  
8 or personnel records maintained by Defendant.

9 1.28 "Lawsuit" means the action styled *Carolyn McCormick and Terrie*  
10 *Beams v. The Watchlight Corporation and Alarm Relay, Inc.* Case No. 37-2017-  
11 000021109-CU-OE-CTL, pending in the Superior Court of California for the County  
12 of San Diego, the Honorable Timothy Taylor presiding.

13 1.29 "Net Settlement Amount" shall have the meaning set forth in Section  
14 4.2 of this Stipulation.

15 1.30 "Notice of Class Action Settlement" shall have the meaning set forth in  
16 Section 5.4 of this Stipulation.

17 1.31 "Notice Packets" shall have the meaning set forth in Section 5.4 of this  
18 Stipulation.

19 1.32 "Notice Period" shall have the meaning set forth in Section 5.6 of this  
20 Stipulation.

21 1.33 "Objection" shall have the meaning set forth in Section 6 of this  
22 Stipulation.

23 1.34 "Participating Class Member" means each Putative Class Member who  
24 does not submit a valid and timely Request for Exclusion.

25 1.35 The "Parties" means the Class Representatives and the Defendants.

26 1.36 "PAGA Allegedly Aggrieved Employees" shall mean any and all non-  
27 exempt employees (including "Dispatchers" and "Data Entry" employees) of  
28 Defendants who worked in Defendants' Central Station in California at any time

1 between June 12, 2016, and the date of Preliminary Approval.

2 1.37 "Putative Class Members" shall mean any and all non-exempt  
3 employees (including "Dispatchers" and "Data Entry" employees) of Defendants  
4 who worked in Defendants' Central Station in California at any time between June  
5 12, 2013 and the date of Preliminary Approval and who have not, as of the time of  
6 this Agreement, executed releases waiving the claims alleged in the Lawsuit.

7 1.38 "Reasonable Address Verification Measure" means the utilization of the  
8 National Change of Address Database maintained by the United States Postal  
9 Service, and a skip trace, to review the accuracy of and, if possible, update a mailing  
10 address.

11 1.39 "Released Claims" shall have the meaning set forth in Section 10 of this  
12 Stipulation.

13 1.40 "Released Parties" means Defendants The Watchlight Corporation and  
14 Alarm Relay, Inc., and each and all of their respective past and present parents,  
15 subsidiaries, legally affiliated companies and corporations, and each and all of their  
16 respective past and present directors, officers, managers, employees, general  
17 partners, limited partners, principals, agents, insurers, reinsurers, shareholders,  
18 attorneys, advisors, representatives, predecessors, successors, divisions, joint  
19 venturers, assigns, or legally related entities, and each and all of their respective  
20 executors, successors, assigns and legal representatives.

21 1.41 "Request for Exclusion" shall have the meaning set forth in Section 5.4  
22 of this Stipulation.

23 1.42 "Settlement" means the terms and conditions set forth in this  
24 Stipulation.

25 1.43 "Stipulation" means this Stipulated Class Action Settlement.

26 1.44 "Updated Address" means a mailing address that was updated via  
27 Reasonable Address Verification measures or via an updated mailing address  
28 provided by the United States Postal Service, or a Putative Class Member or their

1 representative.

2 1.45 "Workweek" means the 7 calendar-day period starting and ending on  
3 the date and times established as Defendants' workweek for the purposes of  
4 computing overtime.

5 **2. CONDITIONS PRECEDENT TO EFFECTIVENESS OF**  
6 **STIPULATION**

7 The Parties enter into this Stipulation and the Settlement on a conditional  
8 basis, subject to the conditions set forth herein and Court approval.

9 2.1 This Settlement is conditioned upon the Plaintiffs filing the exhaustion  
10 letter attached hereto as **Exhibit B** with the Labor Workforce and Development  
11 Agency in accordance with California Labor Code §§ 2698 *et seq.*, and being granted  
12 leave (either expressly or via LWDA inaction) by the LWDA and in accordance with  
13 California Labor Code §§ 2698 *et seq.*, to proceed with litigation for the identified  
14 civil penalties, and being granted, pursuant to Court order, permission to file the First  
15 Amended Complaint attached hereto as **Exhibit A**. This Settlement shall be void  
16 should the LWDA or the Court refuse to permit Plaintiffs standing to settle the  
17 claims alleged in the First Amended Complaint, including all claims for civil  
18 penalties contained therein, under the terms set forth in this Settlement.

19 2.2 This Stipulation will become final and effective only upon the  
20 occurrence of all of the following events. Similarly, Defendants' obligations under  
21 this Settlement will become final and effective only upon occurrence of all of the  
22 following events.

- 23 (A) The Court enters an order granting preliminary approval of the  
24 Settlement;
- 25 (B) Defendant elects not to exercise its limited rights to terminate this  
26 Settlement pursuant to the grounds described in Sections 3 and  
27 5.9 of this Stipulation;
- 28 (C) The Court certifies the Classes for settlement purposes;

- 1 (D) The Court conducts a Final Approval Hearing;
- 2 (E) The Court enters an order granting final approval of the
- 3 Settlement;
- 4 (F) The Court enters a Final Judgment approving the Stipulation and
- 5 holding that, except as to those Putative Class Members who
- 6 submit valid Requests for Exclusion, all claims specifically
- 7 covered by this Stipulation are released; and
- 8 (G) The Effective Date occurs, and any challenge to the Settlement,
- 9 whether by objection or appeal, is resolved in favor of
- 10 enforcement of the Settlement.

11 Unless the Parties expressly agree otherwise, this Stipulation shall be deemed

12 null and void *ab initio* upon the failure of any of these conditions to occur. In such

13 event, neither this Stipulation, nor any negotiations leading to this Settlement, nor

14 any information exchanged solely for purposes of furthering settlement negotiations,

15 will be used or construed by or against any Party as a determination, admission or

16 concession of any issue of law or fact; and the Parties hereto do not waive, and

17 instead expressly reserve, their respective rights regarding the prosecution and

18 defense of the Lawsuit, including all available defenses and affirmative defenses, and

19 challenging any claim that the Lawsuit could be certified as a class action or that

20 Plaintiffs are able to proceed under PAGA with claims for civil penalties, as if this

21 Settlement never existed.

22 2.3 The invalidation of any material term of this Settlement will invalidate

23 this Agreement in its entirety unless the Parties subsequently agree in writing that the

24 remaining provisions will remain in force and effect.

25 2.4 In the event of a timely appeal from an order of Final Judgment, the

26 Judgment will be stayed and all payments required under this Settlement will not be

27 paid pending the completion and final resolution of the appeal, and any payments

28 thereafter will: (a) occur only if the order of Final Judgment is upheld after all

appeals; and (b) be distributed in a manner that is provided for in this Settlement and in the order of Final Judgment.

**3. CONDITIONAL CLASS CERTIFICATION**

For settlement purposes only, the Parties stipulate to class certification of the Classes consisting of the Putative Class Members who don't timely submit a valid Request for Exclusion. If the Court does not grant either/both preliminary and/or final approval of this Settlement, the Parties agree that this conditional class certification will automatically be deemed revoked. If, pursuant to Section 5.9, ten percent (10%) or more of the Putative Class Members opt out of the Class or the Settlement, Defendants maintain the right, in their sole discretion, to revoke the Settlement including the stipulation to class certification. Defendants expressly reserve their rights to oppose class certification of any purported class or subclass should this Settlement not become final.

**4. SETTLEMENT CONSIDERATION**

4.1 Subject to the procedures set forth below, Defendant agrees to pay each Participating Class Member his or her Individual Class Member Payment as consideration for settlement of the Lawsuit. The Class Settlement Amount shall be a non-reversionary, non-claims made sum of one hundred thirty seven thousand and five hundred dollars (\$137,500). The \$137,500 Class Settlement Amount shall be inclusive of all sums owed under the Settlement, including employer side payroll taxes on the wage component of the Net Settlement Amount. Notwithstanding any other provision in this Stipulation, in no event will Company be obligated to pay more than one hundred thirty seven thousand and five hundred dollars (\$137,500) to cover all Individual Class Member Payments, Settlement Administration Costs, payments made to the State of California and the PAGA Allegedly Aggrieved Employees for resolution of the PAGA claims, Class Counsel Award, and Enhancement Service Award.

4.2 The "Net Settlement Amount" shall be the amount of the Class

1 Settlement Amount available for distribution to the Participating Class Members  
2 after subtracting the Class Counsel Award, Enhancement Service Award, payments  
3 made to the State of California and PAGA Allegedly Aggrieved Employees for  
4 resolution of the PAGA claims, and Settlement Administration Costs.

5 4.3 The Parties allocate a total of ten thousand dollars (\$10,000) from the  
6 Class Settlement Amount to settle the PAGA claims. California Labor Code section  
7 2699(i) requires that the parties distribute any settlement of PAGA claims as follows:  
8 seventy-five percent (75%) to the State Of California's Labor Workforce  
9 Development Agency ("LWDA") for enforcement of labor laws and education of  
10 employers, and twenty-five percent (25%) to "aggrieved employees." The Parties  
11 therefore allocate seven thousand five hundred dollars (\$7,500) to the State of  
12 California LWDA and two thousand five hundred dollars (\$2,500) to the PAGA  
13 Allegedly Aggrieved Employees, to be paid from the Class Settlement Amount by  
14 the Settlement Administrator.

15 4.4 Each Participating Class Member for whom a Reasonable Address  
16 Verification Measure and/or additional skip tracing as described in 5.5 does not yield  
17 a non-deliverable returned Notice Packet to the Settlement Administrator by twenty-  
18 one (21) calendar days before the Final Approval Hearing, shall receive an  
19 Individual Class Member Payment, less tax withholdings required by statute, which  
20 is a pro-rata share of the Net Settlement Amount based on the number of  
21 Compensable Workweeks worked by the Participating Class Member during the  
22 Class Period. The "Compensable Workweeks" of a Participating Class Member  
23 shall be the actual number of complete workweeks that he or she was actively  
24 employed by Watchlight as a non-exempt employee (including "Dispatchers" and  
25 "Data Entry" employee) of Defendants in Defendants' Central Station in California  
26 between June 12, 2013 and the date of Preliminary Approval, with a minimum of  
27 one Compensable Workweek per Participating Class Member. The number of  
28 Compensable Workweeks of each Participating Class member shall be determined

1 from the employment records maintained by Defendants in the regular course of  
2 business and may be calculated from Defendants' timekeeping and/or payroll data,  
3 the number of paychecks issued, or other reasonably reliable method. For the  
4 purpose of calculating applicable taxes, the Parties agree that one third of each  
5 Individual Class Member Payment constitutes wages, and that two thirds constitutes  
6 penalties and interest. Each PAGA Allegedly Aggrieved Employee shall receive  
7 their pro-rata share of the \$2,500 PAGA payment which will be calculated by taking  
8 the \$2,500 Payment and dividing it by all Compensable Workweeks of PAGA  
9 Allegedly Aggrieved Employees between June 12, 2016 and the date of Preliminary  
10 Approval to obtain a per Compensable Workweek value. Each PAGA Allegedly  
11 Aggrieved Employees' share of the PAGA Payment will then be determined by  
12 multiplying their Compensable Workweeks during the PAGA period by that value.  
13 The entire portion of the PAGA payments to PAGA Allegedly Aggrieved Employees  
14 shall be categorized as penalties for tax purposes.

15       4.5 Defendant agrees to pay an Enhancement Service Award of up to two  
16 thousand five hundred dollars (\$2,500.00) to each of the Class Representative upon  
17 Class Counsel's application and the Court's approval, pursuant to Section 9.2. The  
18 Settlement Administrator will issue the Class Representative an IRS Form 1099 for  
19 any Enhancement Service Award. Should the Court not Approve any Enhancement  
20 Service Award or approve one in an amount less than that set forth within this  
21 Section 4.5, the unapproved amounts shall be included in the Net Settlement Amount  
22 and distributed to Participating Class Members in accordance with the plan of  
23 allocation set for herein.

24       4.6 The Settlement Administrator shall issue an IRS Form W-2 to each  
25 Participating Class Member for the portion of the payment that constitutes wages,  
26 and shall issue an IRS Form 1099 to each Participating Class Member for the portion  
27 of the payment that constitutes penalties, to the Class Representatives for any  
28 Enhancement Service Award, to PAGA Allegedly Aggrieved Employees for any

1 PAGA Payment, and to Class Counsel for any payment of Attorney's Fees and/or  
2 Costs. The Parties further understand that the Class Representatives, any  
3 Participating Class Member who receives any Individual Class Member Payment,  
4 and any PAGA Allegedly Aggrieved Employee who received a PAGA payment  
5 pursuant to this Stipulation shall be responsible for correctly characterizing such  
6 amounts for tax reporting purposes and solely responsible for any and all tax  
7 obligations associated with such receipt, except as may be specifically set forth in  
8 this Paragraph. Individual Class Member Payments and PAGA payments to PAGA  
9 Allegedly Aggrieved Employees will not count as earnings or compensation for  
10 purposes of any benefit plans (e.g., 401(k) plans, retirement plans, etc.) sponsored by  
11 Defendants.

12 4.7 Uncashed Checks

13 For any checks issued to Participating Class Members and PAGA Allegedly  
14 Aggrieved Employees which have not been cashed 180 days after the Settlement  
15 Administrator first mails settlement checks, the Settlement Administrator will follow  
16 the procedures set by the State of California Department of Industrial Relations with  
17 respect to non-negotiated checks, with an identification of the Participating Class  
18 Member/PAGA Allegedly Aggrieved Employee to whom the funds belong.

19 4.8 The Individual Class Member Payments and payments to PAGA  
20 Allegedly Aggrieved Employees shall be paid according to Section 8 of this  
21 Stipulation.

22 **5. CLAIMS PROCEDURE**

23 5.1 The parties designate CPT Group, Inc. as the Settlement Administrator.

24 5.2. The Settlement Administrator will be responsible for mailing the Notice  
25 Packets, searching for appropriate contact information for Putative Class Members,  
26 collecting documents from Putative Class Members, responding to inquiries from  
27 Putative Class Members, processing payments to Putative Class Members and  
28 PAGA Allegedly Aggrieved Employees, and performing such other duties as the

1 Parties may direct. Plaintiffs and Class Counsel shall be responsible for providing  
2 all required notices concerning the Settlement and related hearings to the LWDA in  
3 accordance with the statutory requirements of PAGA, and will provide Defendants'  
4 Counsel with proof of accomplishment of the same. To the extent it is determined  
5 by a court that Plaintiff and/or Class Counsel failed to adequately provide timely  
6 notice to the State of California/LWDA as required by PAGA, all sums paid under  
7 this Agreement must be repaid to Defendants by Plaintiffs, Class Counsel, and Class  
8 Members.

9       **5.3    Putative Class Member List.** Not later than fourteen (14) calendar  
10 days following the Date of Preliminary Approval, Defendant will provide to the  
11 Settlement Administrator, but not Class Counsel, a list (the "Class List") identifying  
12 each Putative Class Member/PAGA Allegedly Aggrieved Employee, his or her  
13 social security number, and his/her Last Known Address. The Class List will also  
14 contain information as to whether the individual is a Putative Class Member and/or a  
15 PAGA Allegedly Aggrieved Employee, as well as either dates of employment during  
16 the Class Period in which each Putative Class Member/PAGA Allegedly Aggrieved  
17 Employee was actively employed, or the aggregate number of Workweeks in which  
18 the Putative Class Member/PAGA Allegedly Aggrieved Employee was employed by  
19 Defendant during the Class Period, or the number of paychecks issued to the Putative  
20 Class Member/PAGA Allegedly Aggrieved Employee during the Class Period. Not  
21 later than fourteen (14) calendar days following the Date of Preliminary Approval,  
22 the Settlement Administrator will provide to Class Counsel, a modified Class List  
23 that has the number of Putative Class Members, the number of PAGA Allegedly  
24 Aggrieved Employees, and the Compensable Weeks worked for each. The  
25 Settlement Administrator and Class Counsel shall keep all information contained in  
26 the Class List completely confidential, shall not share such information with any  
27 other person or entity, and shall not use such information for any purpose other than  
28 those expressly described in this Stipulation.

1           5.4    Notice to Putative Class Members

2           (A) Immediately upon receipt of the Class List, the Settlement  
3           Administrator shall undertake a Reasonable Address Verification  
4           Measure to ascertain the accuracy of the Last Known Address for each  
5           Putative Class Member. To the extent that this process yields an  
6           Updated Address, that Updated Address shall replace the Last Known  
7           Address and be treated by the Settlement Administrator as the new Last  
8           Known Address.

9           (B) Not later than ten (10) calendar days following receipt of the  
10          Class List, the Settlement Administrator shall send, via U.S. Mail, to  
11          each of the Putative Class Members: (1) a Notice of Class Action  
12          Settlement substantially in the form of **Exhibit "C"** hereto; and (2) a  
13          Settlement Allocation Form substantially in the form of **Exhibit "D"**  
14          hereto. Each Settlement Allocation Form shall be pre-printed with the  
15          number of actual Workweeks worked during the Class Period and  
16          PAGA period by that Putative Class Member, according to Defendants'  
17          records as reflected in the Class List, and the estimated share of the Net  
18          Settlement Amount payable to that Putative Class Member pursuant to  
19          the terms of this Stipulation.

20          5.5    Date of Mailing and Re-Mailing

21          (A) A Notice Packet shall be "Deemed Mailed" to the Putative Class  
22          Member to whom it was sent on the date of the initial mailing,  
23          regardless of whether it is subsequently returned as undeliverable from  
24          the United States Postal Service. In the event that a Notice Packet is  
25          returned to the Settlement Administrator with a forwarding address, the  
26          Settlement Administrator will re-send the Notice Packet to the  
27          forwarding address affixed thereto, and the forwarding address will be  
28          deemed the Updated Address for that Putative Class. In the event that

1 the first mailing of the Notice Packet is returned without a forwarding  
2 address within at least fourteen (14) calendar days prior to the end of the  
3 Notice Period, the Settlement Administrator will immediately conduct a  
4 standard skip trace in an effort to ascertain the current address for the  
5 particular Putative Class Member in question. If a more recent or  
6 accurate address is found by this method, the Settlement Administrator  
7 will resend the Notice Packet to the new address within five (5) calendar  
8 days of identifying the new address information. If no new information  
9 is ascertained by means of a skip trace, or if the Notice Packet is  
10 returned to the Settlement Administrator after using an address obtained  
11 from a standard skip trace, the Settlement Administrator will  
12 immediately perform a manual "in-depth skip trace" to locate a more  
13 recent or accurate address. If a more recent or accurate address is found  
14 by this method, the Settlement Administrator will resend the Notice  
15 Packet to the new address within five (5) calendar days of identifying  
16 the new address information. All of the costs incurred relating to the  
17 skip traces described above shall fall within the definition of Settlement  
18 Administration Costs.

19 (B) In the event the procedures set forth herein are followed and the  
20 intended recipient of a Notice Packet still does not receive the Notice  
21 Packet, or any portion thereof, the intended recipient will nevertheless  
22 be deemed a Class Member and will be bound by all terms of the  
23 Settlement and the order of final approval entered by the Court.

#### 24 5.6 **Opt-Out Procedure.**

25 (A) Subject to Court approval, Putative Class Members shall have  
26 forty-five (45) calendar days from the date that the Notice Packet is  
27 Deemed Mailed to the Putative Class Members (referred to hereafter as  
28 the "Notice Period") to submit a Request for Exclusion by mail to the

1 Settlement Administrator. The Request for Exclusion must state the  
2 Putative Class Member's name, address, approximate dates of  
3 employment with Defendants, last 4 digits of their social security  
4 number in addition to a statement that they request to be excluded from  
5 the settlement and benefits of the settlement in the matter of *Carolyn*  
6 *McCormick and Terrie Beams v. The Watchlight Corporation and*  
7 *Alarm Relay, Inc.* Case No. 37-2017-000021109-CU-OE-CTL. The  
8 Request for Exclusion must be signed by the Putative Class Member.  
9 The date of mailing of the Request for Exclusion Form by a Putative  
10 Class Member is deemed to be the date the form is deposited in the U.S.  
11 Mail, postage prepaid, as evidenced by the post-mark. If the last day of  
12 the Notice Period falls on a Sunday or legal holiday, the Notice Period  
13 shall be deemed to extend through the next business day. Putative Class  
14 Members who do not properly and/or timely submit a Request for  
15 Exclusion become Class Members and shall be subject to the Judgment  
16 and will be eligible to receive an Individual Class Member Payment.

17 (B) Any Putative Class Member who submits a timely and valid  
18 Request for Exclusion shall not receive benefits owed to Class Members  
19 of the Settlement under this Stipulation, and shall not be bound by the  
20 Release of Claims set forth in Section 10 of this Stipulation; otherwise,  
21 all other Putative Class Members shall be deemed Class Members and  
22 shall be bound by the terms of this Stipulation and Settlement.  
23 However, no opt-out from the release of PAGA Released Claims is  
24 permitted under the Settlement. Assuming the Settlement is approved  
25 by the Court, PAGA Allegedly Aggrieved Employees will release the  
26 PAGA Released Claims regardless of whether they are also Putative  
27 Class Members who choose to file a valid and timely Request for  
28 Exclusion.

1           5.7    Disputes Regarding Compensable Weeks. Putative Class Members  
2 will be entitled to dispute the number of actual Workweeks worked during the Class  
3 Period/PAGA Period pre-printed on his or her Settlement Allocation Form by: (1)  
4 signing the Settlement Allocation Form; (2) indicating in writing on the Settlement  
5 Allocation Form his or her proposed correction to the number of actual Workweeks  
6 worked during the Class Period/PAGA Period; and (3) if the Putative Class Member  
7 indicates that he is entitled to a greater number of actual Workweeks worked during  
8 the Class Period/PAGA Period than the amount pre-printed on his or her Settlement  
9 Allocation Form, he or she must also submit satisfactory evidence to support his or  
10 her contention (evidence of the dates of employment with Defendants alone will not  
11 constitute satisfactory evidence). In the event of a dispute over a Class Member's  
12 number of actual Workweeks worked during the Class Period/PAGA Period, the  
13 parties shall meet and confer in good faith in an attempt to resolve that dispute. If  
14 the dispute cannot be resolved, it shall be submitted to the Settlement Administrator  
15 for resolution prior to the Final Approval Hearing. If the Parties agree or the  
16 Settlement Administrator determines that the Class Member's actual Workweeks  
17 worked during the Class Period/PAGA Period are, in fact, higher or lower than the  
18 amount pre-printed on the Settlement Allocation Form, the calculation of that Class  
19 Member's Individual Class Member Payment will be based on the agreed-upon  
20 higher or lower amount. Before the Final Approval Hearing, the Settlement  
21 Administrator will provide a written explanation to any Class Member raising the  
22 dispute regarding actual workweeks worked during the Class Period/PAGA Period  
23 entitled "Notice Regarding Disputed Compensable Weeks." This document will  
24 inform the Class Member of any change to his or her Class Member Compensable  
25 Weeks, set forth the reasons why no change has been made, or explain that the  
26 matter will be resolved prior to the Final Approval Hearing.

27           5.8    Within seven (7) calendar days after the expiration of the Notice Period  
28 the Settlement Administrator shall notify Class Counsel and Defendants' counsel of

1 the Putative Class Members who have opted out of the Settlement. The Settlement  
2 Administrator shall identify these Putative Class Members by name.

3       5.9 Counsel for the Parties and the Parties shall not discourage any Putative  
4 Class Member from participating in, objecting to, or opting out of the Settlement.  
5 However, if ten percent (10%) or more of the Putative Class Members opt out of the  
6 Settlement, then Defendants shall have the right, in their sole discretion, to void the  
7 Settlement including revoking the stipulation to class certification. Defendants have  
8 seven (7) calendar days following its notification by the Settlement Administrator  
9 regarding the final number of Class Members who have opted out of the Class to  
10 notify Class Counsel of its intent to void the Settlement including the stipulation to  
11 class certification. Should Defendants exercise their right to void the Settlement,  
12 Defendants shall be responsible for paying all Settlement Administrator costs  
13 incurred through the void date, and those as a result of the voiding of the Settlement.

## 14 **6. OBJECTIONS TO SETTLEMENT**

15       Any Putative Class Member who wishes to object to the Settlement must not  
16 “opt out” of the Settlement by submitting a Request for Exclusion. Any Putative  
17 Class Member who wishes to object to the Settlement must file a written objection  
18 with the Court (an “Objection”) and must serve copies of the written Objection to the  
19 Settlement Administrator, Class Counsel, and counsel for Defendants, no later than  
20 forty-five (45) calendar days following the date the Notice Packet is Deemed Mailed.  
21 The date of service of any written Objection is deemed to be the date the objection is  
22 deposited in the U.S. Mail, postage pre-paid, as evidenced by the postmark. The date  
23 of filing of any written Objection is deemed to be the date the objection is file-  
24 stamped by the court as being filed. The Objection must set forth the Putative Class  
25 Member’s name, addresses, approximate dates of employment with Defendants, and  
26 last 4 digits of their social security number, in addition to, in clear and concise terms,  
27 the legal and factual arguments supporting the objection. Unless otherwise permitted  
28 by the Court, neither Class Members nor their attorneys, representatives, agents,

1 successors, or assignees shall be entitled to speak at the Final Approval Hearing  
2 unless the Class Member has submitted a timely written Objection pursuant to this  
3 subsection, which also indicates their desire to speak at the Final Approval Hearing.  
4 Any Class Member who fails to file and serve a timely written Objection in the  
5 manner described above will be deemed to have waived all objections and/or  
6 contests to the Settlement and will be foreclosed from contesting and/or attacking the  
7 validity of the Settlement (whether by appeal or otherwise).

8 **7. ABSOLUTE DEADLINE FOR SETTLEMENT ALLOCATION**  
9 **FORMS, REQUESTS FOR EXCLUSION AND/OR OBJECTIONS**

10 7.1 Notwithstanding any other provision of this Stipulation, any Settlement  
11 Allocation Form, Request for Exclusion, or Objection by any Putative Class Member  
12 or Class Member will be considered untimely if it is filed/served/postmarked, as  
13 applicable, more than forty-five (45) calendar days from the date the Notice Packet  
14 was Deemed Mailed to that Putative Class Member, unless the Parties agree  
15 otherwise.

16 7.2 Not later than seven (7) calendar days after the expiration of the Notice  
17 Period, the Settlement Administrator shall notify Class Counsel and Defendants'  
18 counsel of: (a) the names of the Putative Class Members who have opted out of the  
19 Settlement; (b) the details of any corrections or objections to the Workweeks pre-  
20 printed on any Settlement Allocation Form; (c) the amount of each Individual Class  
21 Member Payment due to each Participating Class Member; and (d) the amount of  
22 any PAGA payment to each PAGA Allegedly Aggrieved Employee. For items (c)  
23 and (d) in this paragraph, the Settlement Administrator shall identify Participating  
24 Class Members by their employee identification number only.

25 **8. PAYMENT PROCEDURE**

26 8.1 As a condition of receiving any Individual Class Member Payment  
27 under this Stipulation and Settlement, Putative Class Members must become a  
28 Participating Class Member by not opting out of the Settlement, and by releasing the

1 Released Claims. Class Representatives will be issued their Individual Class  
2 Member Payment at the time the Settlement Administrator issues payments to all  
3 Class Members.

4 8.2 The Settlement Administrator shall be responsible for mailing  
5 Individual Class Member Payments to the Class Members and PAGA Payments to  
6 PAGA Allegedly Aggrieved Employees. Not later than fourteen (14) calendar days  
7 following the Effective Date, Defendants shall provide the Settlement Administrator  
8 with the entire Class Settlement Amount and the Settlement Administrator shall mail  
9 to each Participating Class Member a check in the amount(s) calculated pursuant to  
10 Sections 4.4 and 7.2 of this Stipulation. All such checks will indicate on their face  
11 that they are void if not negotiated within one hundred and eighty (180) calendar  
12 days of issuance. Defendants will determine the appropriate method to be used to  
13 calculate payroll tax withholdings and may request that the Settlement Administrator  
14 conduct such calculations. The expense of conducting such calculations shall be  
15 considered part of the Settlement Administration Costs.

16 8.3 In the event that a settlement check is returned to the Settlement  
17 Administrator with a forwarding address, the settlement check will be forwarded to  
18 the forwarding address. In the event a settlement check is returned to the Settlement  
19 Administrator without a forwarding address or is otherwise undeliverable, the  
20 Settlement Administrator will conduct a standard search and re-mail the returned  
21 check, and the expense of such search shall be part of the Settlement Administration  
22 Costs. If a Class Member/ PAGA Allegedly Aggrieved Employee contacts the  
23 Settlement Administrator or counsel for either Party with a new address within 30  
24 calendar days of the date the settlement checks are initially mailed to the Class  
25 Members/PAGA Allegedly Aggrieved Employees, the settlement check for that  
26 Class Member/PAGA Allegedly Aggrieved Employee will be reissued and mailed to  
27 the new address provided no later than 15 calendar days after receipt of the new  
28 address for that Class Member/PAGA Allegedly Aggrieved Employee. Any such

1 reissued check will indicate on its face that it is void if not negotiated within ninety  
2 (90) calendar days of its issuance.

3 8.4 For any checks issued to Participating Class Members which have not  
4 been cashed 180 days after the Settlement Administrator first mails settlement  
5 checks to the Participating Class Members, the Settlement Administrator will follow  
6 the procedures set by the State of California Department of Industrial Relations with  
7 respect to non-negotiated checks, with an identification of the Participating Class  
8 Member/PAGA Allegedly Aggrieved Employee to whom the funds belong.

9 8.5 In the event that any interest is earned on any portion of the monies  
10 allocated to payments under this Agreement to Participating Class Member, Class  
11 Counsel, the Class Representative, and/or the Settlement Administrator, such interest  
12 shall be paid to Defendants.

13 **9. ATTORNEYS' FEES AND COSTS, CLASS REPRESENTATIVE**  
14 **ENHANCEMENT AWARD, AND COSTS OF NOTICE AND**  
15 **ADMINISTRATION**

16 **9.1 Attorneys' Fees and Costs.**

17 (A) Plaintiff will request, and the Company will not object to a request, that the  
18 court approve: (a) an award of attorneys' fees in an amount equal to no more than  
19 \$45,833.33; and (b) an award of reasonable litigation costs to class counsel not to  
20 exceed \$7,500.00 (collectively the "Class Counsel Award"). In no event will the  
21 Company be obligated to pay more than \$45,833.33 with respect to attorneys' fees,  
22 and \$7,500.00dollars for costs. Both of these sums are to be paid out of the Class  
23 Settlement Amount.

24 (B) Defendant will not oppose Class Counsel's request for the award  
25 of attorney's fees and costs described in this section.

26 **9.2 Enhancement Service Award.** Class Counsel will submit an  
27 application for two thousand five hundred dollars (\$2,500) as an "Enhancement  
28 Service Award" to each Class Representative for her time, effort and participation in

1 this Lawsuit as Class Representatives. Defendants will not oppose a motion for  
2 approval of such Enhancement Service Awards.

3       **9.3 Settlement Administration Costs.** “Settlement Administration Costs”  
4 shall include all costs and expenses due to the Settlement Administrator in  
5 connection with its administration of the claims including, but not limited to,  
6 preparing and mailing Notice Packets, locating Class Members/PAGA Allegedly  
7 Aggrieved Employees, processing any Requests for Exclusion and Settlement  
8 Allocation Forms, calculating withholdings and taxes, and administering and  
9 distributing the Class Settlement Amount including the Individual Class Member  
10 Payments to Participating Class Members and PAGA Payments to PAGA Allegedly  
11 Aggrieved Employees. All Settlement Administration Costs shall be paid from the  
12 Class Settlement Amount.

13 **10. RELEASE OF CLAIMS**

14       **10.1 Terms of Release.** In consideration of the mutual promises contained  
15 herein, the Class Representatives and the Class Members, PAGA Allegedly  
16 Aggrieved Employees on behalf of themselves and on behalf of their current, former,  
17 and future heirs, executors, administrators, attorneys, agents, and assigns, do hereby  
18 and forever fully and finally release, waive, acquit and discharge the Released  
19 Parties from the Released Claims.

20       **10.2 Released Claims of Class Members and the Class Representative**

21       Upon the Effective Date, all Class Members will be deemed to have, and by  
22 operation of the Order of Final Approval will have, expressly waived and  
23 relinquished, to the fullest extent permitted by law, all claims, charges, complaints,  
24 liens, demands, causes of action, obligations, damages and liabilities, whether known  
25 or unknown, that each such Class Member had, now has, or may hereafter claim to  
26 have against the Released Parties, arising at any time between June 12, 2013 and  
27 through the Date of Preliminary Approval, out of, or relating in any way to the  
28 Alleged Claims or that arise out of the same nucleus of operative facts as the Alleged

1 Claims for, or in the nature of: (1) failure to provide meal periods under California  
2 law; (2) failure to authorize and permit rest breaks under California law; (3) failure  
3 to provide properly itemized wage statements under California law; (4) waiting time  
4 penalties under California Labor Code § 203 for failure to pay final wages in  
5 violation of California Labor Code §§ 201-202; (5) unlawful and unfair business acts  
6 and practices in violation of California Business & Professions Code §§ 17200 *et*  
7 *seq.*; and (6) claims for civil penalties under PAGA. The Alleged Claims include the  
8 allegation that Defendants committed unfair business practices under California  
9 Business & Professions Code Section 17200 by the alleged conduct, and all claims to  
10 entitlement to damages, restitution, civil and/or statutory penalties (including  
11 penalties imposed or made collectible by the Labor Code Private Attorney General  
12 Act (a.k.a. "PAGA")), interest, attorneys' fees, costs, declaratory and other equitable  
13 relief as a result of the alleged conduct, (collectively, the "Class Released Claims").  
14 Without limiting the foregoing, the "Released Claims" include, to the extent  
15 permitted by law: (a) any claims and causes of action, whether known or unknown,  
16 that were or could have been alleged or asserted based on the same nucleus of  
17 operative facts as the Alleged Claims; (b) any claims that were or could have been  
18 brought under California Labor Code Sections 218.5, 226 (arising at any time  
19 between January 28, 2013 and the Date of Preliminary Approval), 226.7, 512, 558,  
20 203, 256, 2698 *et seq.* ("PAGA"), the applicable provisions of the Industrial Welfare  
21 Commission Wage Orders, and all related or corresponding federal laws, and all  
22 implementing regulations and interpreting guidance arising from the same nucleus of  
23 operative facts of the Alleged Claims; (c) any claims that were or could have been  
24 brought under California Business and Professions Code Section 17200 *et seq.* as  
25 unlawful, fraudulent or misleading based on the claims, facts and allegations alleged  
26 in the Lawsuit (including, but not limited to, claims of conduct unlawful under state  
27 or federal law) arising from the same nucleus of operative facts as the Alleged  
28 Claims; (d) any other causes of action that are based on or relate to meal or rest

1 period violations, improper wage statements, or unfair business practices, including  
2 related premiums, penalties, interest, punitive damages, costs, attorneys' fees,  
3 injunctive relief, declaratory relief, or accounting, whether such causes of action are  
4 in tort, contract, or pursuant to a statutory remedy, which arise from the same  
5 nucleus of operative facts of the Alleged Claims.

6       Upon the Effective Date, all PAGA Allegedly Aggrieved Employees and the  
7 LWDA/State of California will be deemed to have, and by operation of the Order of  
8 Final Approval will have, expressly waived and relinquished, to the fullest extent  
9 permitted by law, all claims, charges, complaints, liens, demands, causes of action,  
10 obligations, statutory and civil penalties, damages and liabilities, whether known or  
11 unknown, that had, now has, or may hereafter claim to have against the Released  
12 Parties, arising at any time between June 12, 2016 and through the Date of  
13 Preliminary Approval, out of, or relating in any way to the Alleged Claims, including  
14 expressly claims for civil penalties recoverable by the State or by aggrieved  
15 employees under PAGA arising from the same nucleus of operative facts of the  
16 Alleged Claims for: (1) failure to provide meal periods under California law; (2)  
17 failure to authorize and permit rest breaks under California law; (3) failure to provide  
18 properly itemized wage statements under California law; (4) waiting time penalties  
19 under California Labor Code § 203 for failure to pay final wages in violation of  
20 California Labor Code §§ 201-202; and (5) unlawful and unfair business acts and  
21 practices in violation of California Business & Professions Code §§ 17200 *et seq.*,  
22 (herein "PAGA Released Claims").

23       The Class Released Claims and the PAGA Released Claims are collectively  
24 termed "Released Claims."

25       With respect only to any and all Released Claims enumerated above, the Class  
26 Members and PAGA Allegedly Aggrieved Employees agree that, upon the Effective  
27 Date, they shall and have, by operation of the judgment, waived and relinquished, to  
28

1 the fullest extent permitted by law, the provisions, rights, and benefits of section  
2 1542 of the California Civil Code, which provides:

3  
4 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS  
5 WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO  
6 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING  
7 THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST  
8 HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT  
9 WITH THE DEBTOR.

10 The Class Members may hereafter discover facts in addition to or different  
11 from those which they now know or believe to be true with respect to the subject  
12 matter of their Released Claims, but stipulate and agree that the Class Members,  
13 upon the Effective Date, fully, finally and forever settle and release any and all their  
14 Released Claims, known or unknown, suspected or unsuspected, contingent or non-  
15 contingent, whether or not concealed or hidden, which now exist, or heretofore have  
16 existed upon any theory of law or equity and without regard to the subsequent  
17 discovery or existence of such different or additional facts. The Class Members are  
18 deemed by operation of the Order of Final Approval to have agreed not to sue or  
19 otherwise make a claim against any of the Released Parties for any of their Released  
20 Claims.

21 The PAGA Allegedly Aggrieved Employees may hereafter discover facts in  
22 addition to or different from those which they now know or believe to be true with  
23 respect to the subject matter of their PAGA Released Claims, but stipulate and agree  
24 that they, upon the Effective Date, fully, finally and forever settle and release any  
25 and all their PAGA Released Claims, known or unknown, suspected or unsuspected,  
26 contingent or non-contingent, whether or not concealed or hidden, which now exist,  
27 or heretofore have existed upon any theory of law or equity and without regard to the  
28 subsequent discovery or existence of such different or additional facts.

1       Upon final approval of the Settlement, Class Representatives will be deemed to have  
2 provided a complete and general release, in favor of the Released Parties (including Defendants),  
3 of any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses,  
4 attorneys' fees, penalties, damages, actions or causes of action of every nature and description,  
5 whether pled or could have been pled, including a California Civil Code section 1542 release, that  
6 Class Representatives, and each of them, have or may have had against any of the Released Parties  
7 through the date of Class Representatives' execution of the Settlement Agreement. Class  
8 Representatives acknowledge that they each may have claims that are presently unknown and that  
9 the release contained in this Settlement Agreement is intended to and will fully, finally, and forever  
10 discharge all claims against the Released Parties, whether now asserted or un-asserted, known or  
11 unknown, suspected or unsuspected, which now exist, or heretofore existed or may hereafter exist,  
12 which if known, might have affected her decision to enter into this release. In making this waiver,  
13 Class Representatives agree that, although they may discover facts in addition to or different from  
14 those that are currently known or believed to be true with respect to any claims they may have  
15 against the Released Parties, it is Class Representatives' intention to fully, finally, and forever  
16 settle and release any and all claims of any nature, known or unknown, suspected or unsuspected,  
17 which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent  
18 discovery or existence of such additional or different facts. The foregoing waiver includes, without  
19 limitation, an express waiver, to the fullest extent permitted by law, by Class Representatives of  
20 any and all rights under California Civil Code section 1542, which provides:

21       A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS  
22       WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO  
23       EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING  
24       THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST  
25       HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT  
26       WITH THE DEBTOR.

1 The Parties agree to work cooperatively to agree to the form and content of  
2 both the Preliminary and Final Approval Orders to be submitted to the Court prior to  
3 said submission. The Parties agree that the Final Approval Order submitted to the  
4 Court shall include, verbatim, all class definitions and releases provided under the  
5 Settlement.

6 **10.4 California Labor Code Section 206.5.** In connection with the above  
7 Release, and in consideration of Defendants' payments of the sums provided herein,  
8 each and every Class Member who has not timely and validly opted out will be  
9 deemed also to have acknowledged and agreed that California Labor Code Section  
10 206.5 is not applicable to the Parties hereto or to them as a result of this stipulated  
11 Settlement and compromise because for purposes of the Settlement only, the Parties  
12 have agreed there is a good faith dispute as to whether any wages are due at all to  
13 any Class Member. Section 206.5 provides in pertinent part as follows:

14 AN EMPLOYER SHALL NOT REQUIRE THE EXECUTION OF  
15 A RELEASE OF A CLAIM OR RIGHT ON ACCOUNT OF  
16 WAGES DUE, OR TO BECOME DUE, OR MADE AS AN  
17 ADVANCE ON WAGES TO BE EARNED, UNLESS PAYMENT  
18 OF THOSE WAGES HAS BEEN MADE.

19 **10.5 Claims By Participating Class Members/PAGA Allegedly**  
20 **Aggrieved Employees Based on Stipulation.** In addition to the terms of the  
21 Release outlined above, no Class Member or PAGA Allegedly Aggrieved Employee  
22 will have any claim against any of the Released Parties, the Defendants' counsel, the  
23 Class Representatives, any other Class Member, or Class Counsel, based on errors in  
24 administering claims or performing the mailing or skip-tracing requirements under  
25 this Stipulation.

26 **11. MOTION FOR COURT APPROVAL**

27 11.1 Promptly after the execution of this Stipulation, Class Counsel shall  
28 submit to the Court: (a) a fully executed copy of this Stipulation; (b) a noticed

1 motion seeking the Court's preliminary approval of this Settlement; (c) a proposed  
2 order granting such preliminary approval and setting hearing for final approval; (d) a  
3 proposed Notice Packet (in the form attached hereto as **Exhibit "E"**) and (e) any  
4 other documents consistent with the Settlement reasonably necessary to obtain the  
5 Court's approval of the Settlement. The Parties will ask the Court to maintain  
6 jurisdiction of this matter for the purpose of monitoring compliance with and  
7 performance under this Stipulation and any and all orders and judgments, including  
8 the Final Judgment, entered by the Court. The Parties will also ask the Court to stay  
9 the Lawsuit, including all pending litigation and discovery activity, all pending  
10 deadlines, and all Court proceedings in the Lawsuit, other than a Motion For  
11 Preliminary Approval of the Settlement, a Motion for Final Approval of the  
12 Settlement, a Motion for Attorneys' Fees, or any other Order necessary to enforce  
13 the terms of this Settlement, until the earlier of: (a) the date of Final Judgment; (b)  
14 the date upon which Defendants exercises their right to revoke certification; or (c)  
15 the date the Court denies a motion for preliminary approval with prejudice or a  
16 motion for final approval with prejudice.

17       11.2 The Parties shall request that a Final Approval Hearing be set within a  
18 reasonable time after the last day of the Notice Period.

19       11.3 No later than twenty-eight (28) calendar days before the Final Approval  
20 Hearing, the Settlement Administrator shall provide Class Counsel and counsel for  
21 Defendants with a "declaration of compliance" with the terms of this Settlement to  
22 be filed with the Court by Class Counsel.

23       11.4 No later than fourteen (14) calendar days before the Final Approval  
24 Hearing, Class Counsel shall file a Motion for Final Approval, Memorandum of  
25 Points and Authorities in Support of the Settlement, and any other documents  
26 reasonably necessary to obtain the Court's approval of the Settlement.

27       11.5 Upon final approval of the Settlement by the Court at or after the Final  
28 Approval/Settlement Fairness Hearing, the Parties shall present the Final Judgment

1 to the Court for its approval. After entry of the Final Judgment, the Court shall have  
2 continuing jurisdiction solely for purposes of addressing: (i) the interpretation and  
3 enforcement of the terms of the Settlement; (ii) Settlement administration matters;  
4 and (iii) such post-Final Judgment matters as may be appropriate under court rules or  
5 as set forth in this Agreement.

6 **12. MISCELLANEOUS PROVISIONS**

7 12.1 All of the Parties have been represented by counsel throughout all  
8 negotiations that preceded the execution of this Stipulation, and this Stipulation is  
9 made with the consent and advice of counsel.

10 12.2 This Stipulation may not be modified or amended, except in a writing  
11 that is signed by the respective counsel of record for the Parties and approved by the  
12 Court.

13 12.3 This Stipulation and the exhibits attached hereto constitute the entire  
14 agreement between the Parties concerning the subject matter hereof, and supersede  
15 and replace all prior negotiations, understandings, memoranda of understanding and  
16 proposed agreements, written and oral, relating thereto. No extrinsic oral or written  
17 representations or terms shall modify, vary or contradict the terms of the Stipulation  
18 unless made in writing and signed by duly authorized representatives of all Parties  
19 and approved in writing by a final order of the Court. No waiver of any term,  
20 provision or condition of this Agreement, whether by conduct or otherwise, in any  
21 one or more instance shall be deemed to be or construed as a further or continuing  
22 waiver of any such term, provision or condition. The Parties and their respective  
23 counsel all participated in the negotiation and drafting of this Stipulation and  
24 Settlement and had available to them the advice and assistance of independent  
25 counsel. Thus, no Class Member/PAGA Allegedly Aggrieved Employee may claim  
26 that any ambiguity in this Stipulation or Settlement should be construed against  
27 Defendants.

28 12.4 This Stipulation shall be subject to, governed by, construed, enforced,

1 and administered in accordance with the laws of the State of California, without  
2 giving effect to the principles of conflict of laws, both in its procedural and  
3 substantive aspects, and shall be subject to the continuing jurisdiction of the Court.  
4 This Stipulation shall be construed as a whole according to its fair meaning and  
5 intent, and not strictly for or against any Party, regardless of who drafted or who was  
6 principally responsible for drafting this Stipulation or any specific term or condition  
7 thereof.

8       12.5 This Stipulation may be executed in one or more counterparts, each of  
9 which shall be deemed an original and together shall constitute one and the same  
10 instrument. When each of the Parties has signed at least one such counterpart, this  
11 Stipulation shall become effective and binding as to all of the Parties as of the day  
12 and year last written. Fax and electronically transmitted signatures shall be deemed  
13 as effective as originals.

14       12.6 Except as specifically provided herein, the Parties hereto will bear  
15 responsibility for their own attorneys' fees and costs, taxable or otherwise, incurred  
16 by them or arising out of this Lawsuit, and will not seek reimbursement thereof from  
17 any Party to this Settlement Agreement. In the event that legal action arises out of  
18 this Stipulation or is necessary to enforce any of the terms or provisions of this  
19 Stipulation, the prevailing party in the action shall be entitled to recover its  
20 reasonable attorneys' fees and costs.

21       12.7 The Parties and their counsel agree that they will not issue any press  
22 releases or press statements, post any internet disclosures, have any communications  
23 with the press or media about the Lawsuit or this Stipulation, or otherwise publicize  
24 the terms of this Settlement. Notwithstanding the foregoing, the Parties shall have  
25 the right to disclose the Settlement as may be required under federal or state tax  
26 and/or securities laws or under generally accepted accounting principles. Further  
27 notwithstanding, Counsel may publish information regarding this Settlement  
28 provided such publishing is in a manner such that the case, the Parties and their

1 principals and attorneys, cannot be identified by such publication.

2       12.8 Each individual signing this Stipulation warrants that he or she has the  
3 authority and is expressly authorized to enter into this Stipulation on behalf of the  
4 party for which that individual signs.

5       12.9 The Settlement shall be binding upon and inure to the benefit of the  
6 settling parties' respective successors, assigns, heirs, spouses, marital communities,  
7 executors, administrators and legal representatives.

8       12.10 This Stipulation of Settlement, any and all proceedings or documents  
9 arising out of or relating thereto shall not be construed as an admission of the truth of  
10 any allegation or the validity of any claim asserted or of any liability, nor shall this  
11 Stipulation, the Settlement contained herein, nor any papers arising out of or relating  
12 thereto be offered or received in evidence or in any way referred to in any civil or  
13 administrative proceeding other than such proceedings as may be necessary to  
14 approve or enforce this Stipulation. The Class Members/PAGA Allegedly Aggrieved  
15 Employees are deemed by operation of the order of final approval of the Settlement  
16 to represent, covenant and warrant that they have not directly or indirectly assigned,  
17 transferred, encumbered, or purported to assign, transfer, or encumber to any person  
18 or entity any portion of any liability, claim, demand, cause of action or rights herein  
19 released and discharged.

20       12.11 Even after the Order of Final Judgment and notwithstanding it, this  
21 Court will have and retain continuing jurisdiction over the Lawsuit and over all  
22 Parties and Class Members, under Code of Civil Procedure section 664.6, and  
23 otherwise, to the fullest extent necessary or convenient to enforce and effectuate the  
24 terms and intent of this Settlement and all matters provided for in it, and to interpret  
25 it.

26       12.12 The absolute maximum amount of money to be paid by the Company  
27 under this Settlement is in the aggregate (irrespective of how or to whom such  
28 monies are distributed) \$137,500. It is understood and agreed that, irrespective of

any other circumstances, in no event will the Company be obligated to pay more than \$137,500, exclusive of its own attorneys' fees and costs.

**13. COOPERATION**

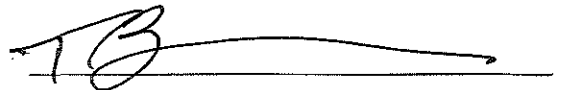
The Parties shall cooperate fully with one another in seeking approval of the Court of this Stipulation (including all exhibits thereto) and to use their respective best efforts to consummate the Settlement and cause the Judgment to be entered and to become final. No Party to this Stipulation shall seek to evade his, her or its good faith obligations to seek approval and implementation of this Settlement by virtue of any ruling, order, governmental report or other development, whether in the Lawsuit, in any other litigation or otherwise that hereafter might occur and might be deemed to alter the relative strengths of the Parties with respect to any claims or defenses or their relative bargaining power with respect to negotiating. The Parties and their respective counsel of record deem this Settlement to be fair and reasonable and have arrived at this Settlement in arms-length negotiations taking into account all relevant factors, present or potential.

IN WITNESS WHEREOF, each of the undersigned has agreed to and accepted the foregoing terms and conditions by executing this Stipulation as of the date indicated below.

IT IS SO AGREED

Dated: 6/27/18

TERRIE BEAMS



Dated: 6.27.18

CAROLYN MCCORMICK



1 Dated: 6/27/18

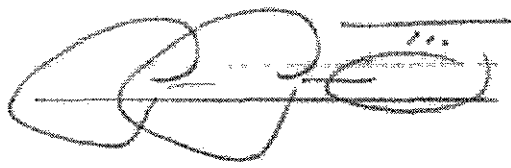
ADVANTAGE LAW GROUP, APC



Patrick J.S. Nellies  
Attorneys for Plaintiffs Carolyn  
McCormick and Terrie Beams

6 Dated: 6/27/18

THE WATCHLIGHT  
CORPORATION



Name Paul Piscitelli III

Title VP

14 Dated: 6/27/18

ALARM RELAY, INC.



Name Paul Piscitelli III

Title VP

22 APPROVED AS TO FORM ONLY:

23 Dated: 6/27/18

YALE & BAUMGARTEN, LLP

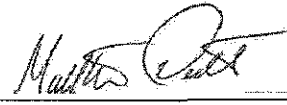


David Baumgarten  
Attorneys for Defendants The  
Watchlight Corporation and Alarm  
Relay, Inc.

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Dated: June 27, 2018

DENTE LAW, P.C.

  
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MATTHEW S. DENTE  
Attorney for Defendants The  
Watchlight Corporation and Alarm  
Relay, Inc.