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17 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
18 **FOR THE COUNTY OF STANISLAUS**

19 SELINA RANGEL, an individual, on behalf
of herself and others similarly situated,
20
21 Plaintiff,
22 vs.
23 W.W. GRAINGER, INC., an Illinois
Corporation; and DOES 1 through 10,
24 inclusive,
25 Defendant.

Case No.: CV-18-003041
CLASS LAWSUIT
**JOINT STIPULATION OF SETTLEMENT
OF CLASS AND PAGA ACTION AND
SETTLEMENT AGREEMENT**

26 Subject to the Court’s approval, the Parties have entered into a Settlement Agreement
27 pursuant to the terms and conditions in this Joint Stipulation of Settlement of Class and PAGA
28 Action and Settlement Agreement (“Settlement Agreement”) between Plaintiff Selina Rangel

1 (“Plaintiff”), individually and on behalf of the Settlement Class, and Defendant W.W. Grainger,
2 Inc. (“Defendant”). The Parties request the Court to enter judgment subject to the Settlement
3 Agreement’s terms.

4 **I. DEFINITIONS**

5 1. “Action” or “Lawsuit” shall mean the Complaint entitled *Selina Rangel v. W.W*
6 *Grainger, Inc.*, filed on September 24, 2018, in the Stanislaus County Superior Court, and
7 assigned Case No. CV-18-003041, and the operative, First Amended Complaint (“**FAC**”) filed in
8 the Eastern District of California (Sacramento) on or about February 21, 2019, in Case No.: 2:18-
9 cv-02867-KJM-DB.

10 2. “Class Counsel” means the attorneys of record for the Class Representative and
11 Class Members, *i.e.*, David Yeremian and Alvin B. Lindsay, David Yeremian & Associates, Inc.,
12 535 N. Brand Blvd, Suite 705, Glendale, CA 91203, and Walter F. Haines of United Employees
13 Law Group, 5500 Bolsa Avenue, Suite 201, Huntington Beach, CA 92649.

14 3. “Class Counsel Award” means an award of attorneys’ fees, expenses and costs
15 granted to Class Counsel and paid from the Maximum Settlement Amount.

16 4. “Class Data” means information regarding Class Members that Defendant will
17 collect from its electronic records and provide to the Settlement Administrator. The Class Data
18 shall be formatted as a Microsoft Excel spreadsheet and shall include for each Class Member their
19 full name, last known address, last known telephone number, and Social Security number, as well
20 as information sufficient to enable the Settlement Administrator to designate the number of shifts
21 worked by all each and every Settlement Class Member during the Class Period.

22 5. “Class Members” means all current and former employees of Defendant in
23 California who were employed at any time during the Class Period as non-exempt, hourly
24 employees at Defendant’s SFDC and LADC distribution centers within the State of California.

25 6. “Class Period” shall mean the time period from September 24, 2014 through the
26 date of the Court’s order approving Plaintiff’s Motion for Preliminary Approval, or March 27,
27 2020, whichever date occurs first.

28

1 7. “Class Representative Service Award” or (“CRSA”) means the amount that the
2 Court authorizes to be paid to Plaintiff from the Maximum Settlement Amount, in addition to
3 Plaintiff’s Individual Settlement Payment.

4 8. “Class Representative” means the named Plaintiff in this lawsuit, Selina Rangel.

5 9. “Court” means the Superior Court for the State of California, County of Stanislaus.

6 10. “Defendant” means W.W. Grainger, Inc.

7 11. “Defense Counsel” or “Counsel for Defendant” shall mean Michael J. Nader of
8 Ogletree, Deakins, Nash, Smoak & Stewart, P.C., 500 Capitol Mall, Suite 2500, Sacramento, CA
9 95814.

10 12. “Effective Date” shall be the latest of the following dates: (a) If no objections to the
11 Settlement Agreement are pending, then the date the Court enters judgment granting Final
12 Approval; or (b) if an objection to the Settlement Agreement is filed, then the date when the time
13 expires to file an appeal of the Court’s grant of Final Approval of the Settlement Agreement; or (c)
14 if an objection is filed, as well as a timely Notice of Appeal of the Court’s grant of Final Approval
15 of the Settlement Agreement, then the date the appeal is finally resolved, with the final approval
16 unaffected.

17 13. “Final Approval Order” means the Court’s order granting final approval of the
18 Settlement Agreement.

19 14. Individual Settlement Payment (“ISP”) means the amount payable from the Net
20 Settlement Amount to each Settlement Class Member.

21 15. “Maximum Settlement Amount” or (“MSA”) means the maximum sum to be paid
22 by Defendant pursuant to this Settlement Agreement, which shall be no more than Two Million
23 One-Hundred Fifty Thousand Dollars (\$2,150,000.00). The MSA shall include all payments
24 contemplated by this Settlement Agreement, including but not limited to all ISPs, the CRSA, the
25 Class Counsel Award, the PAGA Payment, the Settlement Administration Costs, any award of
26 costs or reimbursements to Class Counsel or Plaintiff, and any required employer payroll taxes
27 and other required employer withholdings on the portion of the ISPs allocated to wages, including
28 but not limited to Defendant’s FICA and FUTA contributions.

1 16. “Net Settlement Amount” or (“**NSA**”) means the MSA less the CRSA, the Class
2 Counsel Award, the PAGA Payment, the Settlement Administration Costs, any award of costs or
3 reimbursements to Class Counsel or Plaintiff, and any required employer payroll taxes and other
4 required employer withholdings on the portion of the ISP allocated to wages, including but not
5 limited to Defendant’s FICA and FUTA contributions

6 17. “Notice” means the Notice of Settlement of Class and PAGA Action in a form
7 substantially similar to the form attached as **Exhibit 1** (the “Notice”).

8 18. “PAGA” means the California Labor Code Private Attorneys General Act of 2004.

9 19. “PAGA Payment” means the payment made to the California Labor and Workforce
10 Development Agency pursuant to the PAGA. The PAGA Payment shall be made from the MSA.

11 20. “Parties” mean Plaintiff and Defendant, collectively, and “Party” shall mean either
12 Plaintiff or Defendant, individually.

13 21. “Payment Ratio” means the respective Qualified Workweeks for each Settlement
14 Class Member divided by the total Qualified Workweeks for all Class Members.

15 22. “Plaintiff” shall mean the named Plaintiff in this Lawsuit, Selina Rangel.

16 23. “Preliminary Approval Date” means the date the Court enters an order granting
17 preliminary approval of the Settlement Agreement.

18 24. “Qualified Settlement Fund” means the fund set up by the Settlement Administrator
19 into which the NSA shall be deposited and disbursements from it shall be made.

20 25. “Qualified Workweeks” means the number calculated for each individual
21 Settlement Class Member by (a) determining the total number of shifts (as reflected in the Class
22 Data) worked by each individual Settlement Class Member with Defendant during the Class
23 Period, and (b) dividing that number by five (5), and (c) rounding up to the nearest whole number.

24 26. “Released Claims” means all claims and causes of action raised or that reasonably
25 could have been raised in the operative complaint (the FAC) based upon the facts, legal theories,
26 and causes of action alleged in the Lawsuit for the time period from September 24, 2014 through
27 the date of Preliminary Approval of this Settlement Agreement, or March 27, 2020, whichever
28 date occurs first, and including all of the following claims for relief: failure to pay minimum

1 wages; failure to pay overtime wages; failure to provide compliant meal breaks and related
2 premium payments; failure to provide compliant rest breaks and related premium payments;
3 failure to provide compliant wage statements; failure to provide timely wages; failure to comply
4 with Section 221 of the California Labor Code; failure to pay final wages; unfair business
5 practices in violation of California Business and Professions Code § 17200 *et seq.*; all claims for
6 civil penalties under the California Labor Code Private Attorneys General Act of 2004, Labor
7 Code §§ 2698 *et seq.*, that reasonably could have been premised on the facts, claims, and legal
8 theories described above or in the FAC; any other claims or penalties under the wage and hour
9 laws pleaded in the FAC; and all damages, penalties, interest, fees, and other amounts recoverable
10 under the claims, causes of action or legal theories of relief described above as may be available
11 under California and federal law to the extent permissible. The period of the Released Claims
12 shall extend to the limits of the Class Period. The *res judicata* effect of the Judgment will be the
13 same as that of the Released Claims. The definition of Released Claims shall not be limited in any
14 way by the possibility that Plaintiff or SCMs may discover new facts, legal theories, or legal
15 arguments not alleged in the FAC but which might serve as an alternative basis for pursuing the
16 same or similar claims, causes of action, or legal theories of relief falling within the definition of
17 Released Claims.

18 a. Released Claims shall also include a limited release of claims under California Civil Code
19 Section 1542, which provides: “A *general release does not extend to claims which the*
20 *creditor does not know or suspect to exist in his or her favor at the time of executing the*
21 *release, which if known by him or her must have materially affected his or her Settlement*
22 *Agreement with the debtor.”* This limited Section 1542 waiver releases all claims against
23 the Released Parties, whether known or unknown, and irrespective of the factual or legal
24 basis for such claims. The scope of this Section 1542 waiver is limited to the Released
25 Claims only. The Parties to this Settlement Agreement agree that this limited Section 1542
26 waiver is a material part of the consideration for this Settlement Agreement, was critical in
27 justifying the agreed upon economic value of this Settlement Agreement, and, without it,
28 Defendant would not have agreed to the consideration provided in this Settlement

1 Agreement. This limited Section 1542 waiver is narrowly drafted and necessary to ensure
2 that Defendant is obtaining peace of mind regarding the resolution of all claims that were
3 or could have been alleged based on the facts and legal theories contained in Plaintiff's
4 Lawsuit. Each and every ISP check will include an endorsement confirming that by
5 cashing the check, the SCMs are releasing the Released Claims.

6 27. "Released Parties" shall mean Defendant W.W. Grainger, Inc. ("Grainger") and all
7 of Grainger's past, present and/or future, direct and/or indirect, subsidiaries, parents, divisions,
8 joint venturers, predecessors, successors, insurers, assigns, consultants, and subcontractors,
9 Grainger's employee benefit plans and the trustees, fiduciaries, and administrators of those plans,
10 and any of Grainger's current or former employees, officers, directors, servants, agents, investors,
11 representatives, attorneys, executors, administrators, and assigns, and all persons acting under, by,
12 through, or in concert with any of them, and each of them.

13 28. "Request for Exclusion" refers to a formal request to be excluded from the
14 Settlement Agreement as described in the "Requests for Exclusion" section herein.

15 29. "Response Deadline" means the date forty-five (45) days after the Settlement
16 Administrator mails Notices to Class Members, and the last date on which Class Members may
17 submit requests for exclusion or objections to the Settlement Agreement.

18 30. "Settlement Agreement" means this Joint Stipulation of Class Action and PAGA
19 Settlement Agreement.

20 31. "Settlement Administrator" means CPT Group, Inc..

21 32. "Settlement Class Members" ("**SCM**") means all Class Members who do not
22 submit a Request for Exclusion. SCMs will release all of the Released Claims and be bound by all
23 terms of the Settlement Agreement and any final judgment entered in this Lawsuit.

24 **II. RECITALS**

25 33. Class Certification. The Parties stipulate and agree to certification of a "Settlement
26 Class" for the purposes of this Settlement Agreement only. Should the Settlement Agreement not
27 obtain Court approval and become final and effective, class certification shall immediately be set
28 aside and the Settlement Class immediately decertified. The Parties' stipulation to class

1 certification as part of the Settlement Agreement shall not be considered in connection with the
2 issue of whether a class should be certified in this Lawsuit or any other lawsuit, and shall not be
3 admissible in any such proceeding other than in the context of this Settlement Agreement.

4 34. Procedural History. On September 24, 2018, Plaintiff filed a putative class action
5 Complaint asserting claims against the Defendant, including claims for failure to pay minimum
6 and overtime wages; failure to provide compliant meal and rest breaks and related premium
7 payments; failure to provide compliant wage statements; failure to provide timely wages; failure to
8 comply with Section 221 of the California Labor Code; failure to pay final wages; and unfair
9 business practices in violation of California Business and Professions Code § 17200 *et seq.* On or
10 about February 21, 2019, Plaintiff filed the FAC alleging the same claims in the original
11 Complaint, and adding claims for civil penalties under the California Labor Code Private
12 Attorneys General Act of 2004, Labor Code §§ 2698 *et seq.*, that reasonably could have been
13 premised on the facts, claims, and legal theories alleged in the Complaint and in the FAC. The
14 Lawsuit was originally filed in Stanislaus Superior Court, and was then removed to the Eastern
15 District of California (Sacramento). On or about October 10, 2019, this Lawsuit was remanded
16 back to Stanislaus Superior Court.

17 35. Mediation. On October 9, 2019, the Parties participated in a private mediation with
18 Tripper Ortman, a mediator with considerable experience mediating wage and hour class actions.
19 This took place only after the Parties exchanged extensive informal information, documents, and
20 data. The mediation resulted in the Parties agreeing to a Memorandum of Agreement
21 memorializing the general terms of this Settlement Agreement.

22 36. Benefits of Settlement Agreement to Settlement Class Members. Plaintiff and
23 Class Counsel recognize the expense and length of continued proceedings necessary to litigate
24 their disputes through trial and potential appeals. Plaintiff has also taken into account the
25 uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in
26 such litigation. Plaintiff and Class Counsel are also aware of the burdens of proof necessary to
27 establish liability for the claims asserted in the Lawsuit, both generally and in response to
28 Defendant's defenses, and the difficulties in establishing damages for the Class Members. Thus,

1 Plaintiff and Class Counsel have determined that the terms set forth in this Settlement Agreement
2 are fair, adequate and reasonable, and in the best interests of the SCMs.

3 37. Defendant's Reasons for Settlement Agreement. Defendant has concluded that
4 further defense of this litigation would be protracted and expensive for all Parties. Substantial
5 amounts of Defendant's time and resources have been and, unless this Settlement Agreement is
6 made, will continue to be devoted to the defense of the claims asserted by Plaintiff and the
7 putative Class Members. Defendant has also taken into account the risks of further litigation in
8 reaching its decision to enter into this Settlement Agreement. Although Defendant continues to
9 contend that it is not liable for any of Plaintiff's claims, Defendant has agreed to settle along the
10 terms set forth in this Settlement Agreement and fully resolve the Lawsuit.

11 38. Class Members' Claims. The Class Representative claims that her allegations have
12 merit in regards to the putative Class Members. This Settlement Agreement is a compromise of
13 disputed claims. The monies paid in this Settlement Agreement are genuinely disputed and the
14 Parties agree that the provisions of Labor Code section 206.5 do not apply to this Settlement
15 Agreement. Nothing in this Settlement Agreement or its exhibits, and no action taken to carry out
16 this Settlement Agreement may be construed or used as an admission by or against the putative
17 Class Members or Class Counsel as to the merits of the claims asserted.

18 39. Defendant's Defenses. Defendant claims that the Released Claims have no merit.
19 This Settlement Agreement is a compromise of disputed claims. The Settlement funds are
20 genuinely disputed and the Parties agree that the provisions of Labor Code section 206.5 do not
21 apply to this Settlement Agreement. Nothing in this Settlement Agreement or its exhibits, and no
22 action taken to carry out this Settlement Agreement may be construed or used as an admission by
23 or against Defendant as to the merits of the claims asserted.

24 **III. TERMS OF SETTLEMENT AGREEMENT**

25 40. Settlement Agreement Consideration by Defendant. Defendant shall pay the MSA
26 and nothing more than the MSA.

27 41. General Release of Claims By Plaintiff. As of the Effective Date, in exchange for
28 the consideration in this Settlement Agreement, Plaintiff, for herself and her heirs, successors and

1 assigns, hereby waives, releases, acquits and forever discharges the Released Parties from any and
2 all Released Claims as well as any and all claims, actions, charges, complaints, grievances and
3 causes of action, of whatever nature, whether known or unknown, which exist or may exist on
4 Plaintiff' behalf as of the date she signs this Settlement Agreement, including but not limited to,
5 any and all tort claims, contract claims, wage claims, wrongful termination claims, disability
6 claims, benefit claims, public policy claims, retaliation claims, statutory claims, personal injury
7 claims, emotional distress claims, invasion of privacy claims, defamation claims, fraud claims,
8 quantum meruit claims, and any and all claims arising under any federal, state or other
9 governmental statute, law, regulation or ordinance, including, but not limited to, claims for
10 violation of the Fair Labor Standards Act, the California Labor Code, the Wage Orders of
11 California's Industrial Welfare Commission, other state wage and hour laws, the Americans with
12 Disabilities Act, the Employee Retirement Income Security Act, Title VII of the Civil Rights Act
13 of 1964, the California Fair Employment and Housing Act, the California Family Rights Act, the
14 Family Medical Leave Act, California's Whistleblower Protection Act, California Business &
15 Professions Code Section 17200 et seq., and any and all claims arising under any federal, state or
16 other governmental statute, law, regulation or ordinance. Plaintiff expressly waives and
17 relinquishes any and all claims, rights or benefits she may have under California Civil Code §
18 1542, which provides as follows: *A general release does not extend to claims which the creditor*
19 *does not know or suspect to exist in his or her favor at the time of executing the release which if*
20 *known by him or her must have materially affected his or her Settlement Agreement with the*
21 *debtor.* Plaintiff may hereafter discover claims or facts in addition to, or different from, those
22 which she now knows or believes to exist, but she expressly agrees to fully, finally and forever
23 settle and release any and all claims against the Released Parties, known or unknown, suspected or
24 unsuspected, which exist or may exist at the time she signed this Settlement Agreement, including,
25 but not limited to, any and all claims relating to or arising from Plaintiff' employment with
26 Defendant. The Parties further acknowledge, understand and agree that this Settlement Agreement
27 would not have been finalized without this representation and commitment from Plaintiff.
28

1 42. Conditions Precedent: This Settlement Agreement will become final and effective
2 only upon the occurrence of all of the following events:

- 3 a. The Court enters an order granting preliminary approval of the Settlement
4 Agreement;
- 5 b. The Court enters an order granting final approval of the Settlement Agreement and
6 a Final Judgment;
- 7 c. The Final Effective Date occurs; and
- 8 d. Defendant does not invoke its right to revoke the Settlement Agreement as
9 described herein (“Option to Revoke or Modify Settlement Agreement”).

10 43. Nullification of Settlement Agreement. In the event that this Settlement Agreement
11 is not finally approved by the Court, fails to become effective, or is reversed, withdrawn or
12 modified by the Court, or in any way prevents or prohibits Defendant from obtaining a complete
13 resolution of the claims as described herein:

- 14 a. This Settlement Agreement shall be void ab initio and of no force or effect, and
15 shall not be admissible in any judicial, administrative or arbitral proceeding for any
16 purpose or with respect to any issue, substantive or procedural;
- 17 b. The conditional class certification (obtained for any purpose) shall be void ab initio
18 and of no force or effect, and shall not be admissible in any judicial, administrative
19 or arbitral proceeding for any purpose or with respect to any issue, substantive or
20 procedural; and
- 21 c. None of the Parties to this Settlement Agreement will be deemed to have waived
22 any claims, objections, defenses or arguments in the Lawsuit, including with
23 respect to the issue of class certification.

24 44. CAFA Notice. Within ten (10) calendar days after Class Counsel files the motion
25 for preliminary approval of the Settlement Agreement, the Settlement Administrator, on behalf of
26 Defendant, will mail a notice of the proposed Settlement Agreement pursuant to the Class Action
27 Fairness Act of 2005 (“CAFA”), 28 U.S.C. § 1715 (“CAFA Notice”) to the Attorney General of
28

1 the United States, the Attorney General of the State of California, and the Attorney General of any
2 state where a Class Member resides.

3 45. Certification of the Settlement Class. The Parties stipulate to conditional class
4 certification of the Settlement Class for the Class Period for purposes of the Settlement Agreement
5 only, and to agree that Plaintiff Selina Rangel shall be appointed as Class Representative, and that
6 David Yeremian & Associates, Inc. shall be appointed Class Counsel.

7 46. Tax Liability. The Parties make no representations as to the tax treatment or legal
8 effect of the payments called for hereunder, and SCMs are not relying on any statement or
9 representation by the Parties in this regard. SCMs understand and agree that they will be
10 responsible for the payment of any taxes and penalties assessed on the ISPs they receive, and that
11 they will be solely responsible for any penalties or other obligations resulting from their personal
12 tax reporting of their ISPs.

13 47. Circular 230 Disclaimer. Each Party to this Settlement Agreement acknowledges
14 and agrees that no provision of this Settlement Agreement, and no written communication or
15 disclosure between the Parties or their attorneys, was intended to be relied upon as tax advice
16 within the meaning of United States Treasury Department circular 230 (31 CFR part 10, as
17 amended); and that each Party has relied exclusively on their own, independent legal and tax
18 counsel for advice (including tax advice) in connection with this Settlement Agreement; and that
19 each Party is not entitled to rely upon any communication or disclosure by any attorney or advisor
20 to avoid any tax penalty.

21 48. Preliminary Approval Motion. At the earliest practicable time, Plaintiff shall file
22 with the Court a Motion for Order Granting Preliminary Approval and supporting papers, which
23 shall include this Settlement Agreement. Plaintiff shall provide a courtesy draft of these papers to
24 Defense Counsel at least seven (7) business days before filing the documents so that necessary
25 revisions can be made.

26 49. Settlement Administrator. By accepting the role as Settlement Administrator, the
27 Settlement Administrator is bound to all of the terms, conditions and obligations described in this
28

1 Settlement Agreement. Among these obligations, the Settlement Administrator shall have sole
2 and exclusive responsibility for:

- 3 a. Calculating the Qualified Workweeks, Payment Ratio, and the ISP for each
4 Settlement Class Member;
- 5 b. processing and mailing payments to the Class Representative, Class
6 Counsel, LWDA, and SCMs;
- 7 c. preparing and mailing the CAFA Notice;
- 8 d. printing and mailing the Notices to the Class Members as directed by the
9 Court;
- 10 e. receiving and reporting objections, opt outs, Requests for Exclusion, and
11 Notices of Objection;
- 12 f. deducting all legally required taxes from the ISPs and distributing tax
13 forms;
- 14 g. processing and mailing any tax payments to the appropriate state and
15 federal taxing authorities;
- 16 h. providing declaration(s) as necessary in support of preliminary and/or final
17 approval of this Settlement Agreement;
- 18 i. and other tasks that the Parties mutually agree on, or the Court orders the
19 Settlement Administrator to perform. The Settlement Administrator shall keep the
20 Parties timely apprised of the performance of its duties. Defendant and Defense
21 Counsel shall have no responsibility for validating or ensuring the accuracy of the
22 Settlement Administrator's work. Plaintiff, Class Counsel, Defendant and Defense
23 Counsel shall not bear any responsibility for errors or omissions in the calculation
24 or distribution of the ISPs or any other distribution of monies contemplated by this
25 Settlement Agreement.

26 50. Notice Procedure.

- 27 a. Class Data. The Class Data shall be confidential. The Settlement Administrator
28 shall not provide the Class Data to Class Counsel or Plaintiff or any third party, or

1 use the Class Data or any of its information for any purpose other than to
2 administer this Settlement Agreement. Defendant shall provide the Settlement
3 Administrator with the Class Data to prepare and mail the Notices to the SCMs.
4 This shall take place within fourteen (14) calendar days after the date that both of
5 the following has occurred: (a) the Preliminary Approval Date; and (b) the date on
6 which Defendant receives sufficient and reasonable written assurances from the
7 Settlement Administrator that the Administrator will maintain the confidentiality of
8 the Class Data.

9 b. Notices.

- 10 i. The Notice of Class Action and PAGA Settlement mailed out to Class
11 Members (the “Notice”) shall be in a form substantially similar to the form
12 attached as Exhibit 1. The Notice shall inform Class Members to notify the
13 Settlement Administrator of their current mailing address where the ISP
14 should be mailed following the Effective Date. The Notice shall include the
15 release to be given by each SCM in exchange for the ISP.
- 16 ii. The Notice shall also provide each SCM’s starting and ending dates of
17 employment in a class position during the Settlement Class Period, the
18 number of Qualified Workweeks calculated by the Settlement
19 Administrator, and the Settlement Administrator’s calculation of each
20 SCM’s estimated ISP.
- 21 iii. The Notice’s mailing envelope shall include the following language:
22 “IMPORTANT LEGAL DOCUMENT- YOU MAY GET MONEY FROM
23 A CLASS ACTION SETTLEMENT AGREEMENT; A PROMPT REPLY
24 IS REQUIRED TO PRESERVE YOUR RIGHTS.”

- 25 c. Notice By First Class U.S. Mail. No later than fourteen (14) calendar days after
26 receiving the Class Data from Defendant as provided herein, the Settlement
27 Administrator shall mail copies of the Notice to all Class Members via regular First
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1 Class U.S. Mail. The Settlement Administrator shall exercise its best judgment to
2 determine the current mailing address for each Class Member.

3 d. Undeliverable Notices. Any Notices returned to the Settlement Administrator as
4 non-delivered on or before the Response Deadline shall be re-mailed to the
5 forwarding address affixed thereto. If no forwarding address is provided, the
6 Settlement Administrator shall promptly attempt to determine a correct address by
7 lawful use of skip-tracing, or other search using the name, address and/or Social
8 Security number of the Class Member involved, and shall then perform a re-
9 mailing, if another mailing address is identified by the Settlement Administrator. If
10 any Notices sent to SCMs currently employed by Defendant are returned to the
11 Settlement Administrator as non-delivered and no forwarding address is provided,
12 the Settlement Administrator shall notify Defendant. Defendant will request that
13 the currently employed SCM provide a corrected address to the Defendant to
14 forward to the Settlement Administrator. Class Members who received a re-
15 mailed Notice shall have their Response Deadline extended fifteen calendar (15)
16 days from the original Response Deadline.

17 e. Disputes Regarding ISPs. SCMs will have the opportunity, should they disagree
18 with the estimated number of Qualified Workweeks stated on their Notice, to
19 provide documentation and/or an explanation to show contrary employment dates.
20 If there is a dispute, the Settlement Administrator will consult with the Parties to
21 determine whether an adjustment is warranted. The Settlement Administrator shall
22 determine the eligibility for, and the amounts of, any ISP under the terms of this
23 Settlement Agreement, and that determination shall be binding upon the SCM and
24 the Parties.

25 f. Disputes Regarding Administration of Settlement Agreement. Any disputes not
26 resolved by the Settlement Administrator concerning the administration of the
27 Settlement Agreement will be resolved by the Court under the laws of the State of
28 California. Prior to any such involvement of the Court, counsel for the Parties will

1 confer in good faith to resolve the disputes without the necessity of involving the
2 Court.

3 g. Requests for Exclusion.

- 4 i. The Notice shall include an explanation that Class Members who wish to
5 exclude themselves from the Settlement Agreement must submit a written
6 Request for Exclusion by the Response Deadline. The written Request for
7 Exclusion must state that the Class Member wishes to exclude himself or
8 herself from the Settlement Agreement and (1) must contain the name,
9 address, and the last four digits of the Social Security number and/or
10 Employee ID number of the person requesting exclusion; (2) must be signed
11 by the Class Member; (3) must be postmarked by the Response Deadline
12 and returned to the Settlement Administrator at the specified address; and
13 (4) contain a typewritten or handwritten notice stating in substance: “I wish
14 to opt out of the Settlement Agreement of the class action lawsuit entitled
15 *Rangel v. W.W. Grainger, Inc.*, Case No. CV-18-003041, filed in the
16 Superior Court of California, County of Stanislaus. I understand that by
17 requesting to be excluded from the Settlement Agreement, I will receive no
18 money from the Settlement Agreement described in this Notice.”
- 19 ii. The Request for Exclusion will not be valid if it is not timely submitted, or
20 if it is not signed by the Class Member, or if it does not contain the name
21 and address of the Class Member. The date of the postmark on the return
22 mailing envelope for the Request for Exclusion shall be the exclusive means
23 used to determine whether the Request for Exclusion was timely submitted.
24 Class Members who fail to submit a valid and timely written Request for
25 Exclusion on or before the Response Deadline shall be Settlement Class
26 Members (“SCMs”) who are bound by all terms of the Settlement
27 Agreement, and any final judgment entered in this Lawsuit, if the
28 Settlement Agreement is approved by the Court.

- 1 iii. Any Class Member who requests to be excluded from the Settlement
2 Agreement will not be entitled to any recovery under the Settlement
3 Agreement and will not be bound by its terms or have any right to object,
4 appeal or comment on it. Nothing in this Settlement Agreement can be
5 construed as a waiver of any defense that Defendant or the Released Parties
6 have or could assert against anyone who timely serves a Request for
7 Exclusion.
- 8 iv. No later than five (5) calendar days after the Response Deadline, the
9 Settlement Administrator shall provide counsel for the Parties with a final
10 list of the Class Members who have timely submitted written Requests for
11 Exclusion.
- 12 v. At no time shall any of the Parties or their counsel seek to solicit or
13 otherwise encourage Class Members to submit Requests for Exclusion from
14 the Settlement Agreement.
- 15 h. Objections.
- 16 i. The Notice shall state that SCMs who wish to object to the Settlement
17 Agreement must mail to the Settlement Administrator a written statement of
18 objection (“Notice of Objection”) by the Response Deadline. The postmark
19 date of the mailing shall be deemed the exclusive means for determining
20 that a Notice of Objection was served timely.
- 21 ii. SCMs who submit a timely Notice of Objection will have a right to appear
22 at the Final Approval/Settlement Agreement Fairness Hearing in order to
23 have their objections heard by the Court. The Notice of Objection must be
24 signed by the SCM and state the case name and number, the name and
25 address of the SCM, the last four digits of the SCM’s Social Security
26 number and/or Employee ID number, the basis for the objection, and if the
27 SCM intends to appear at the Final Approval/Settlement Agreement
28 Fairness Hearing. Class members may also object by appearing at the final

1 approval hearing and presenting their objections. SCMs who fail to make
2 objections in the manner specified above shall be deemed to have waived
3 any objections and shall be foreclosed from making any objections (whether
4 by appeal or otherwise) to the Settlement Agreement.

5 iii. At no time shall any of the Parties or their counsel seek to solicit or
6 otherwise encourage SCMs to object to the Settlement Agreement or appeal
7 from the Order and Final Judgment.

8 iv. Class Members who submit a written Request for Exclusion are not entitled
9 to object to the Settlement Agreement.

10 v. The Settlement Administrator shall send all objections to Class Counsel and
11 Defense Counsel. Class Counsel will be responsible for filing the Notices
12 of Objection with the Court in advance of the Final Approval Hearing.
13 Plaintiff and/or Defendant may file oppositions to Notices of Objection no
14 later than nine (9) court days prior to the date of the Final
15 Approval/Settlement Agreement Fairness Hearing.

16 vi. Defendant shall not be responsible for the fees, costs, or expenses incurred
17 by Plaintiff, Class Counsel, or SCMs arising from or related to any
18 objection to the Settlement Agreement or related to any appeals thereof.

19 51. Funding and Allocation of the Maximum Settlement Amount. Upon satisfaction of
20 the preconditions described in this Settlement Agreement, and pursuant to the timeline and
21 instructions below, Defendant will deposit the MSA into a Qualified Settlement Fund to be
22 established by the Settlement Administrator.

23 a. Funding Due Date. No later than ten (10) calendar days after the Effective Date,
24 Defendant shall provide the MSA to the Settlement Administrator to fund the
25 Settlement Agreement.

26 b. Individual Settlement Payments. ISPs shall be paid from the NSA and shall be paid
27 pursuant to the following formula:
28

1 this Paragraph, and the report shall be presented to the Court by Class
2 Counsel.

3 c. Class Representative Service Award (“CRSA”).

- 4 i. Defendant agrees not to oppose or object to a Class Representative Service
5 Award (“CRSA”) of up to seventy-five hundred dollars (\$7,500) to Plaintiff
6 in exchange for her General Release of claims, including the Released
7 Claims, and for her time, effort and risk in bringing and prosecuting this
8 matter. The CRSA shall be in addition to the Plaintiff’ ISP as an SCM.
- 9 ii. The Settlement Administrator shall pay the CRSA to Plaintiff from the
10 MSA no later than twenty-five (25) calendar days after the Effective Date.
11 Any portion of the requested CRSA that is not awarded to the Class
12 Representative shall become part of the NSA.
- 13 iii. The Settlement Administrator shall issue an IRS Form 1099 - MISC to
14 Plaintiff for the CRSA. Plaintiff shall be solely and legally responsible to
15 pay any and all applicable taxes on the CRSA and shall hold harmless
16 Defendant and the Released Parties from any claim or liability for taxes,
17 penalties, or interest arising as a result of the CRSA.
- 18 iv. If the Court reduces or does not approve the requested CRSA, Plaintiff shall
19 not have the right to revoke the Settlement Agreement, which shall remain
20 binding.

21 d. Class Counsel Award.

- 22 i. In consideration for settling the Lawsuit and for all Released Claims to the
23 Released Parties, as well as the General Release of claims by Plaintiff,
24 Class Counsel intends to apply for an award of attorneys’ fees not to exceed
25 one-third of the MSA (\$716,666.66), plus costs and expenses supported by
26 declaration not to exceed ten thousand dollars (\$10,000), from the MSA.
- 27 ii. Class Counsel, Plaintiff and the SCMs will not apply to the Court for any
28 additional payment of attorney fees and costs, or for an increase in the

1 MSA. The Parties agree that, over and above the Court-approved Class
2 Counsel Award, each of the Parties, including all SCMs, shall bear their
3 own fees and costs, including, but not limited to, those related to the
4 investigation, filing, or prosecution of the Lawsuit; the negotiation,
5 execution, or implementation of this Settlement Agreement; and/or the
6 process of obtaining, administering, or challenging an Order Granting
7 Preliminary Approval and/or Final Approval.

8 iii. Any portion of the requested Class Counsel Award that is not awarded to
9 Class Counsel shall be part of the NSA and shall be distributed to SCMs as
10 provided in this Settlement Agreement.

11 iv. The Settlement Administrator shall pay the Class Counsel Award to Class
12 Counsel from the MSA no later than twenty-five (25) calendar days after
13 the Effective Date.

14 v. Class Counsel shall be solely and legally responsible to pay all applicable
15 taxes on the Class Counsel Award. The Settlement Administrator shall
16 issue an IRS Form 1099 - MISC to Class Counsel for the payment.

17 vi. In the event that the Court reduces or does not approve the requested Class
18 Counsel Award, Plaintiff and Class Counsel shall not have the right to
19 modify or revoke the Settlement Agreement, or to appeal such an order, and
20 the Settlement Agreement will remain binding.

21 e. PAGA Payment. One Hundred Thousand Dollars (\$100,000) shall be allocated
22 from the MSA for the release of claims for civil penalties under the Private
23 Attorneys General Act of 2004. The Settlement Administrator shall pay seventy-
24 five percent (75%) of the \$100,000 payment, or \$75,000, to the California Labor
25 and Workforce Development Agency (the "PAGA Payment") no later than twenty-
26 five (25) calendar days after the Effective Date. Twenty-five (25%) of the
27 remaining amount of the \$100,000 payment, or \$25,000, will remain in the NSA
28

1 and distributed as described in this Settlement Agreement. Class Counsel will take
2 all action required by California Labor Code section 2699(1).

3 f. Settlement Administrator Costs. The Settlement Administrator shall be paid for the
4 costs of administration of the Settlement Agreement from the MSA. The Settlement
5 Administrator, CPT Group, Inc., has provided a not to exceed quotation for
6 administration for eighteen thousand five hundred dollars (\$18,500). The
7 Settlement Administrator shall be paid the Settlement Administrator Costs no later
8 than fourteen (14) calendar days after Defendant provides funds to the Settlement
9 Administrator for disbursement under this Settlement Agreement.

10 52. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to
11 accomplish the terms of this Settlement Agreement, including but not limited to, the execution of
12 necessary documents and to take such other action as may be reasonably necessary to implement
13 the terms of this Settlement Agreement. As soon as practicable after execution of this Settlement
14 Agreement, Class Counsel shall, with the assistance and cooperation of Defendant and Defense
15 Counsel, take all necessary steps to secure the Court's Preliminary and Final Approval of this
16 Settlement Agreement. The Parties also agree to cooperate in the Settlement Administrator
17 process. The Parties each represent they do not have any financial interest in the Settlement
18 Administrator or otherwise have a relationship with the Settlement Administrator that could create
19 a conflict of interest. Class Counsel will also notify Defense Counsel if subpoenaed or upon
20 receipt of any other request for documents or information regarding any other lawsuit filed, or
21 potential lawsuit, against the Released Parties that covers or includes any SCMs and the Released
22 Claims.

23 53. Preliminary Approval Hearing. Plaintiff shall obtain a hearing before the Court to
24 request the preliminary approval of the Settlement Agreement, and the setting of a date for a Final
25 Approval/Settlement Agreement Fairness Hearing. The Preliminary Approval Order shall provide
26 for the Notice of Class Action and PAGA Settlement (the "Notice") to be sent to all Class
27 Members as specified herein. In conjunction with the Preliminary Approval Hearing, Plaintiff
28 shall submit this Settlement Agreement and the proposed Notice. Plaintiff shall provide drafts of

1 all papers filed in support of preliminary approval to Defense Counsel at least seven (7) business
2 days before filing the documents.

3 54. Final Approval Motion. At the earliest practicable time following the expiration of
4 the Response Deadline, Plaintiff shall file with the Court a Motion for Order Granting Final
5 Approval and Entering Judgment, requesting final approval of the Settlement Agreement and a
6 determination of the amounts payable for the CRSA, the Class Counsel Award, the PAGA
7 Payment, and the Settlement Administration Costs. Plaintiff shall provide drafts of these papers to
8 Defense Counsel at least seven (7) business days before filing the documents.

9 a. Declaration by Settlement Administrator. The Settlement Administrator shall
10 submit a declaration in support of Plaintiff's motion for final approval of this
11 Settlement Agreement detailing the number of Notices mailed and re-mailed to
12 Class Members, the number of undeliverable Notices, the number of timely
13 requests for exclusion, the number of Notices of Objections received, the amount of
14 the average, highest, and lowest ISP, the Settlement Administration Costs, and any
15 other information as the Parties mutually agree on, or that the Court orders the
16 Settlement Administrator to provide.

17 b. Final Approval Order and Judgment. The Parties shall present an Order Granting
18 Final Approval of Class Action and PAGA Settlement Agreement to the Court for
19 its approval, and Judgment thereon consistent with the terms and conditions of this
20 Settlement Agreement.

21 55. Option to Revoke or Modify Settlement Agreement.

22 a. Defendant has the unilateral right to revoke the Settlement Agreement if, after the
23 Response Deadline, the number of Class Members who submitted timely and valid
24 written requests for exclusion from the Settlement Agreement equals at least 3% of
25 all Class Members, Defendant shall have, in its sole discretion, the option to
26 terminate this Settlement Agreement. If Defendant exercises the option to
27 terminate this Settlement Agreement, Defendant shall provide written notice to
28 Class Counsel within seven (7) calendar days after the Response Deadline, and pay

1 all Settlement Administrator Costs incurred up to the date of the termination. The
2 Parties shall proceed in all respects as if this Settlement Agreement had not been
3 executed.

- 4 b. The number of Class Members is currently estimated to be 1,316 as of December
5 12, 2019. If the Class Data shows that the number of 1,316 increases by more than
6 15% at the time of Preliminary Approval, Plaintiff has the right to request a
7 corresponding increase in the MSA.

8 56. Review of Motions for Preliminary and Final Approval. Class Counsel will
9 provide an opportunity for Defense Counsel to review the Motions for Preliminary and Final
10 Approval prior to filing with the Court. The Parties and their counsel will cooperate and use their
11 best efforts to effect the Court's approval of the Motions for Preliminary and Final Approval of
12 the Settlement Agreement, and entry of Judgment.

13 57. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the
14 Lawsuit, except such proceedings necessary to implement and complete the Settlement
15 Agreement, pending the Final Approval/Settlement Agreement Fairness Hearing to be conducted
16 by the Court.

17 58. Nullification of Settlement Agreement. In the event that the Court does not grant
18 final approval, or the Court does not enter a final judgment as provided herein, or the Settlement
19 Agreement does not become final for any other reason, this Settlement Agreement shall be null
20 and void and any order or judgment entered by the Court in furtherance of this Settlement
21 Agreement shall be treated as void from the beginning. In such a case, the entire MSA money
22 shall be returned to the Defendant, and the Parties shall proceed in all respects as if this Settlement
23 Agreement had not been executed, except that any costs already incurred by the Settlement
24 Administrator shall be paid by equal apportionment among the Parties. In the event an appeal is
25 filed from the Court's final judgment, or any other appellate review is sought, administration of
26 the Settlement Agreement shall be stayed pending final resolution of the appeal or other appellate
27 review, but any fees incurred by the Settlement Administrator prior to being notified of the filing
28

1 of an appeal from the Court's Final Judgment, or any other appellate review, shall be paid to the
2 Settlement Administrator within thirty (30) days of said notification.

3 59. No Effect on Employee Benefits. Amounts paid to Plaintiff or other SCMs
4 pursuant to this Settlement Agreement shall not be deemed pensionable earnings or have any
5 effect on the eligibility for, or calculation of, any employee benefits (e.g., vacations, holiday pay,
6 retirement plans, etc.) of the Plaintiff or SCMs.

7 60. Exhibits and Headings. The terms of this Settlement Agreement include the terms
8 set forth in Exhibit 1. The descriptive headings of any paragraphs or sections of this Settlement
9 Agreement are inserted for ease of reference only and do not constitute a part of this Settlement
10 Agreement.

11 61. Amendment or Modification. With Court approval, this Settlement Agreement
12 may be amended or modified only by a written instrument that is signed by counsel for all Parties
13 or their successors-in-interest, and signed by the Parties or their successors-in-interest.

14 62. Entire Settlement Agreement. This Settlement Agreement and its exhibits
15 constitute the entire Settlement Agreement among the Parties, and no oral or written
16 representations, warranties or inducements have been made to any Party concerning this
17 Settlement Agreement or its exhibits other than the representations, warranties and covenants
18 contained and memorialized in the Settlement Agreement and its exhibits.

19 63. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant
20 and represent they are expressly authorized by the Parties whom they represent to negotiate this
21 Settlement Agreement and to take all appropriate actions needed by this Settlement Agreement to
22 effectuate its terms. The person signing this Settlement Agreement on behalf of Defendant
23 represents and warrants that they are authorized to sign this Settlement Agreement on behalf of
24 Defendant. Plaintiff represents that she is authorized to sign this Settlement Agreement and that
25 she has not assigned, transferred, or encumbered any claim, or part of a claim, demand, cause of
26 action or any rights herein released and discharged or covered by this Settlement Agreement to
27 any third-party.
28

1 64. Binding on Successors and Assigns. The provisions of this Settlement Agreement
2 shall run in perpetuity. This Settlement Agreement shall be binding upon, and inure to the benefit
3 of, the successors or assigns of the Parties.

4 65. California Law Governs. All terms of this Settlement Agreement and its exhibits,
5 and any disputes arising hereunder shall be governed by and interpreted according to the laws of
6 the State of California.

7 66. Counterparts. This Settlement Agreement may be executed in one or more
8 counterparts. All executed counterparts and each of them shall be deemed to be one and the same
9 instrument provided that counsel for the Parties to this Settlement Agreement shall exchange
10 among themselves copies or originals of the signed counterparts.

11 67. This Settlement Agreement Is Fair, Adequate and Reasonable. The Parties believe
12 that this Settlement Agreement is a fair, adequate and reasonable Settlement Agreement of this
13 Lawsuit and have arrived at this Settlement Agreement after extensive arm's-length negotiations,
14 taking into account all relevant factors, present and potential. The Parties further agree that this
15 Settlement Agreement shall not be construed in favor of or against any party by reason of the
16 extent to which any party or their counsel participated in the drafting of this Settlement
17 Agreement.

18 68. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction
19 with respect to the interpretation, implementation and enforcement of the terms of this Settlement
20 Agreement and all orders and judgments entered in connection to it, and the Parties and their
21 counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing and
22 enforcing the Settlement Agreement and all orders and judgments entered in connection to it.

23 69. Publicity. Plaintiff and Class Counsel agree not to disclose or publicize the
24 Settlement Agreement, including the fact of the Settlement Agreement, its terms or contents, and
25 the negotiations underlying the Settlement Agreement, in any manner or form, directly or
26 indirectly, to any person or entity, except for the Notice to Class Members to effectuate the terms
27 of the Settlement Agreement. This section means that Plaintiff and Class Counsel agree not to
28 issue press releases, communicate with or respond to any media or publication entities, publish

1 information in any manner or form, whether printed or electronic, on any medium, or otherwise
2 communicate, whether by print, video, website, recording or any other medium, with any person
3 or entity concerning the Settlement Agreement, including the fact of the Settlement Agreement, its
4 terms or contents and the negotiations underlying the Settlement Agreement, except as shall be
5 contractually required to effectuate the terms of the Settlement Agreement. However, for the
6 limited purpose of allowing Class Counsel to prove adequacy as class counsel in other lawsuits,
7 Class Counsel may disclose the name of the Parties in this Lawsuit, the venue/case number of this
8 Lawsuit, and the fact that this Lawsuit settled on a class-wide basis (but not any other Settlement
9 Agreement details) for such purposes.

10 70. No Unalleged Claims. Plaintiff and Class Counsel represent that they, as of the
11 date of execution of this Settlement Agreement, have no intention of pursuing any claims against
12 Defendant in any judicial, administrative, or arbitral forum, including, but not limited to, any and
13 all claims relating to or arising from Plaintiff's employment with Defendant, and that Plaintiff's
14 Counsel is not currently aware of any facts or legal theories upon which any claims or causes of
15 action could be brought against Defendant, other than those facts or legal theories alleged in the
16 FAC in this Lawsuit. Plaintiff and Plaintiff's Counsel further represent and agree that they do not
17 currently know of or represent any persons who have expressed any interest in pursuing litigation
18 or seeking any recovery against Defendant. The Parties agree that this Settlement Agreement
19 would not have been finalized without this representation. Nothing in this Paragraph will be
20 construed as a restraint on the right of any counsel to practice.

21 71. Waiver of Certain Appeals. The Parties agree to waive all appeals from the Court's
22 final approval of the Settlement Agreement, unless the Court modifies the Settlement Agreement.

23 72. No Admissions by the Parties. Plaintiff alleges that the Released Claims have
24 merit, while Defendant contends that they lack merit. This Settlement Agreement is a compromise
25 of disputed claims. Nothing contained in this Settlement Agreement, no documents referred to
26 herein, and no action taken to carry out this Settlement Agreement may be construed or used as an
27 admission by or against the Defendant or Plaintiff as to the merits or lack thereof of the claims
28 asserted.

1 73. Notice of Settlement Agreement to LWDA. Plaintiff will provide notice of this
2 Settlement Agreement to the Labor Workforce Development Agency ("LWDA") as required by
3 Labor Code Section 2699(1)(2).

4 IN WITNESS WHEREOF, this Joint Stipulation of Class Action and PAGA Settlement
5 Agreement and Release of Claims is voluntarily executed by the Parties and their attorneys as of
6 the dates noted.

7 **IT IS SO AGREED:**

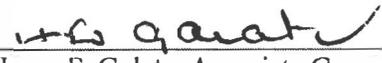
8
9 Dated: _____

Selina Rangel
Plaintiff

10
11
12
13 Dated: January 2, 2020

David Yeremian
Alvin B. Lindsay
Authorized to sign for Plaintiff
DAVID YEREMIAN & ASSOCIATES,
INC.
Attorneys for Plaintiff
Approved as to form

14
15
16
17
18
19
20 Dated: 01/08/2020


Henry F. Galatz, Associate General Counsel,
For W.W. Grainger, Inc.

21
22
23 Dated: 


Michael J. Nader
OGLETREE, DEAKINS, NASH,
SMOAK & STEWART, P.C.
Attorneys for Defendant
Approved as to form

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28 40468571.3

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

To: **All persons employed by W.W. Grainger, Inc. (“Grainger”) as a non-exempt, hourly employee in the State of California at Grainger’s SFDC and LADC distribution centers at any time during the period from September 24, 2014 until [the date of the Court’s preliminary approval of the Settlement].**

*A court authorized this Notice. This is not a solicitation.
This is not a lawsuit against you and you are not being sued.
However, your legal rights may be affected by a class action settlement.*

Your rights and each option you may follow, and related deadlines, are explained in this Notice.

| YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT | |
|---|--|
| DO NOTHING AND YOU WILL AUTOMATICALLY RECEIVE A SETTLEMENT PAYMENT | The estimated amount of your Individual Settlement Payment is shown in Paragraph 8 of this Notice. Keep the Settlement Administrator informed of your current mailing address. Once the Court grants final approval of the Settlement, the Settlement Administrator will mail your check to the last known address on file for you. If you want to participate in the Settlement by receiving this payment, then you do not need to take any further action. You will be bound by the terms of the Settlement and releases described in this Notice. |
| CHANGE CONTACT INFORMATION | YOU MUST update your contact information with the Settlement Administrator to ensure that you receive your Individual Settlement Payment. |
| EXCLUDE YOURSELF Deadline: [Response Deadline] | You can exclude yourself from the Settlement if you do not wish to participate in the Settlement. This is the only option that allows you to pursue your own lawsuit against Grainger about the legal claims in this case. If you exclude yourself, you will not receive an Individual Settlement Payment. |
| OBJECT Deadline: [Response Deadline] | If you think the Settlement is not fair, you can submit a written objection (“Notice of Objection”) to the Settlement Administrator, and it will be considered by the Court. If the Settlement is approved, you will receive payment and will be bound by the terms of the Settlement and releases described in this Notice. |

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BASIC INFORMATION

1. Why did I get this notice?

The Court has preliminarily approved a settlement of the lawsuit, *Selina Rangel v. W.W Grainger, Inc.*, Stanislaus County Superior Court, Case No.: CV-18-003041 ("*Rangel v. Grainger*"), which is pending in the Superior Court of Stanislaus County ("Action" or "Lawsuit"). The Settlement is on behalf of a proposed Class, defined as all current and former non-exempt employees of Grainger who worked in Grainger's SFDC and LADC distribution centers in the State of California during the period from September 24, 2014 through [date of Court preliminary approval].

You received this notice because Grainger's records show that you worked for Grainger as a non-exempt employee in Grainger's distribution centers in the State of California at some time during the period from September 24, 2014 through [date of Court preliminary approval], and thus you may be a member of the Class ("Class Member"). This notice explains the Lawsuit, the settlement, your legal rights, the benefits available for you, and how you obtain them.

2. What is this Lawsuit about?

Plaintiff Selina Rangel sued Grainger on behalf of herself and other non-exempt employees in California, asserting class claims against Grainger, including claims for failure to pay minimum and overtime wages; failure to provide compliant meal and rest breaks and related premium payments; failure to provide compliant wage statements; failure to provide timely wages; failure to comply with Labor Code § 221; failure to pay final wages; and unfair business practices in violation of California Business and Professions Code § 17200 et seq.; as well as claims for civil penalties under the California Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698, et seq. Grainger denies Plaintiff's allegations and admits no wrongdoing. To avoid the costs of litigation, however, and in light of the risks and uncertainties of continued contested litigation, the Parties have agreed to settle this Action.

3. Why is this a class action?

In a class action, one court resolves the issues for everyone in the class, except for those people who decide to exclude themselves from the class. In this case, Plaintiff is suing on behalf of herself and a putative "class" of other non-exempt employees in California who worked in Grainger's distribution centers and have similar claims. Each person who satisfies the class definition is a "Class Member." Those who do not request exclusion are Settlement Class Members.

4. Why is there a Settlement?

The Court has decided in favor of neither the Plaintiff nor the Defendant. There was no trial. Instead, both sides agreed to a no-fault settlement of the Lawsuit (“Settlement”) following a mediation and with the assistance of a respected wage and hour class action mediator. By mediating and agreeing to settle this Action, the parties are able to avoid the cost and further delay of contested class certification proceedings and a trial and the Class Members will receive a reasonable compensation from the Settlement. Plaintiff and Class Counsel believe the Settlement is in the best interests of the Class.

5. Who are the Parties in this Lawsuit?

Grainger employed Plaintiff as non-exempt employee at a distribution center in California, and also employed you and the other Class Members at those centers. Grainger was the employer and is the named Defendant.

6. Do I have a lawyer in this case?

The Court has appointed Class Counsel listed below to represent your interests in this case.

Class Counsel
David Yeremian
Alvin B. Lindsay
535 N. Brand Blvd., Suite 705
Glendale, California 91203
Telephone No.: 818-230-8380
Facsimile: 818-230-0308

Defendants are represented by:
Michael J. Nader
Ogletree, Deakins, Nash,
Smoak & Stewart, P.C.
500 Capital Mall, Suite 2500
Sacramento, CA 95814

If you have questions regarding this Settlement, you should contact Class Counsel, or the Settlement Administrator at 1-800-[telephone]. You may also view documents relating to the Settlement (including, but not limited to, the Settlement and key documents filed in connection with the motion for preliminary approval of the Settlement, the order granting preliminary approval of the Settlement, and other documents) by visiting the following case website:

www.GraingerClassActionSettlement.com.

THE TERMS OF THE SETTLEMENT

7. What is the settlement amount and how will the Individual Settlement Payment be calculated?

Under the proposed Settlement, which the Court has preliminarily approved, Grainger will pay \$2,150,000.00 (referred to as the “Maximum Settlement Amount” or “MSA”) to fully and finally resolve all claims in the Lawsuit.

The “Net Settlement Amount” or “NSA” means the Maximum Settlement Amount, less all of the following amounts, which are subject to final approval by the Court:

- A. Attorneys’ Fees and Costs: Class Counsel will apply to the Court for attorneys’ fees of up to \$716,666,66, and reimbursement of actual litigation costs and expenses estimated at no more than \$10,000.
- B. Class Representative Service Award: Class Counsel will apply to the Court for a Service Award of up to \$7,500 to Plaintiff for her efforts in prosecuting this case. Plaintiff’s Service Award will be in addition to any Individual Settlement Payment she receives as a Settlement Class Member.
- C. LWDA Payment: Class Counsel will apply to the Court for an allocation of \$100,000 towards the PAGA claims in the Lawsuit. The Settlement Administrator shall pay \$75,000 (75% of \$100,000) to the California Labor and Workforce Development Agency) no later than fourteen (14) calendar days after the Effective Date. The other 25%, the amount of \$25,000, will be retained in the NSA and distributed to the Settlement Class Members.
- D. Settlement Administration Costs: The Settlement Administration Costs refer to the fees and expenses reasonably incurred by the Settlement Administrator to, among other things, distribute notice packets to Class Members, process Requests for Exclusion and Notices of Objection, and distribute payments under the Settlement. Requested Settlement Administration Costs for the Administrator, CPT Group, Inc., are **\$15,000.00**.

- E. Employer-side Payroll Taxes: The employer’s portion of FICA, FUTA, and all other state and federal payroll taxes, estimated to be \$37,560.

If the Court grants final approval of the Settlement, the NSA will be paid out entirely, *automatically*, to all Class Members who do not request exclusion from the Settlement (“Settlement Class Members”). Any portion of the NSA that would have been paid to individuals who timely request exclusion from the Settlement will be paid to the Settlement Class Members who participate in the Settlement. In other words, the entire NSA will be paid to Settlement Class Members, and no portion of the NSA will be returned to Grainger under any circumstances.

Each Settlement Class Member’s share of the NSA will be based on the number of Qualified Workweeks that he or she worked for Grainger in California during the period from September 24, 2014 through [the date of the Court’s preliminary approval] (“Class Period”), using the following procedure:

- The Settlement Administrator will calculate the number of Qualified Workweeks by calculating the number of shifts each Class Member worked during the Class Period, then dividing that number by five (5) shifts in an average workweek, and rounding up that amount to the nearest whole number.
- The Settlement Administrator will also determine the total, aggregate number of Qualified Workweeks worked by all Class Members.
- Each Class Member’s Qualified Workweeks will be divided by the total Qualified Workweeks for all Class Members, resulting in the “Payment Ratio” for each Class Member.
- Each Class Member’s Payment Ratio will then be multiplied by the Net Settlement Amount to calculate the gross amount of each Individual Settlement Payment.

Fifty percent (50%) of each Individual Settlement Payment will be allocated to the settlement of claims for unpaid wages, and will have withholdings and taxes deducted at each Settlement Class Member’s last-reported withholding status; fifty percent (50%) will be allocated to the settlement of claims for penalties and interest under the California Labor Code. The portion allocated to wages in each Individual Settlement Payment will be reported on an IRS Form W-2, and the portions allocated to interest and penalties will be reported on an IRS Form-1099 by the Settlement Administrator.

8. How much will my Individual Settlement Payment be?

Grainger’s records show that you were employed by Grainger as a Class Member from <<Start Date>> to <<End Date>> during the Class Period. Based on these dates of employment, you worked <<number of shifts>> which equals <<Qualified Workweekss>> during the Class Period, and your estimated gross Individual Settlement Payment is approximately \$<<Estimated Individual Settlement Payment>>.

This amount is only an estimate. The actual Individual Settlement Payment you receive may be slightly more or less than the estimated amount shown.

9. What do I do if my dates of employment are wrong?

Your dates of employment, as shown above, were determined based upon Grainger’s records. If you believe the dates of employment attributed to you are not right, you may send a letter to the Settlement Administrator of your understanding of the correct dates. In order to be considered, you must mail your letter to the Settlement Administrator at the address listed below, in Paragraph 12 of this Notice, postmarked on or before [45 days after initial mailing], 2020. Your dispute must contain: (1) your full name and address; (2) the case name and number, *Selina Rangel v. W.W Grainger, Inc.*, Stanislaus County Superior Court, Case No.: CV-18-003041; (3) a clear statement that you wish to dispute the dates of employment and/or number of shifts attributed to you; and (4) the dates of employment and/or the number of shifts that you contend are correct, together with any supporting documents or information. The Settlement Administrator will resolve any dispute regarding your dates of employment and shifts worked based on Grainger’s records and any information you provide.

HOW TO GET A PAYMENT

10. How do I get my Individual Settlement Payment?

You do not need to do anything -- you will automatically receive your Individual Settlement Payment after the Court approves the Settlement at the Final Approval Hearing. You must notify the Settlement Administrator of any change or correction in your contact information, or if the information shown in Paragraph 8 regarding your employment with Defendant is not correct. **It is your responsibility to keep the Settlement Administrator informed of any change in your address. If final approval of the Settlement is granted, your Individual Settlement Payment will be mailed to the last known address on file with the Settlement Administrator.**

Settlement Class Members receiving an Individual Settlement Payment will be responsible for correctly characterizing this compensation for tax purposes and paying taxes due, if any.

11. What am I giving up to get an Individual Settlement Payment?

Unless you exclude yourself, you remain in the Class, which means you will not be able to sue, continue to sue, or be part of any other lawsuit against Defendants for the same legal issues in this Action. Specifically, you will be giving up or “releasing” the claims described below:

Release of Claims: If the Court approves the Settlement, each Settlement Class Member will be bound by the Settlement, and thereby release as of the effective date Grainger (including all of Grainger’s past, present and/or future, direct and/or indirect, subsidiaries, parents, divisions, joint venturers, predecessors, successors, insurers, assigns, consultants, and subcontractors, Grainger’s employee benefit plans and the trustees, fiduciaries, and administrators of those plans, and any of Grainger’s current or former employees, officers, directors, servants, agents, investors, representatives, attorneys, executors, administrators, and assigns, and all persons acting under, by, through, or in concert with any of them, and each of them) from all claims and causes of action raised or that reasonably could have been raised in the Lawsuit (the “Released Claims”), and the Released Claims include all of the following claims for relief: failure to pay minimum wages; failure to pay overtime wages; failure to provide compliant meal breaks and related premium payments; failure to provide compliant rest breaks and related premium payments; failure to provide compliant wage statements; failure to provide timely wages; failure to comply with Section 221 of the California Labor Code; failure to pay final wages; unfair business practices in violation of California Business and Professions Code § 17200 et seq.; all claims for civil penalties under the California Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698 et seq., that reasonably could have been premised on the facts, claims, and legal theories described above or in the operative Complaint; any other claims or penalties under the wage and hour laws pleaded in the Complaint; and all damages, penalties, interest, fees, and other amounts recoverable under the claims, causes of action or legal theories of relief described above as may be available under California and federal law to the extent permissible. The Released Claims shall also include a limited release of the Released Claims under California Civil Code Section 1542, which provides: “A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her Settlement Agreement with the debtor.” Thus, Settlement Class Members also releases all claims, whether known or unknown, that are related to the Released Claims listed above.

The definition of Released Claims shall not be limited in any way by the possibility that Plaintiff or Settlement Class Members may discover new facts or legal theories or legal arguments not alleged in the Lawsuit but which might serve as an alternative basis for pursuing the same claims, causes of action, or legal theories of relief falling within the definition of Released Claims.

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. How do I exclude myself from the Settlement?:

If you want to retain the right to pursue claims related to this case against Grainger and/or you do NOT want a payment from this Settlement, then you must exclude yourself by submitting a written request for exclusion. Excluding yourself is also referred to as “opting-out.” If you exclude yourself, you will not receive money from this settlement.

The request for exclusion must contain: (1) your name, address, telephone number, and the last four digits of your Social Security Number or your full Employee ID Number; (2) your signature or the signature of your legal representative; (3) the case name and number (*Selina Rangel v. W.W Grainger, Inc.*, Stanislaus County Superior Court, Case No.: CV-18-003041); and (4) a clear statement that you wish to exclude yourself from the Settlement. To be timely, a request for exclusion must be mailed or faxed to the Settlement Administrator, postmarked or fax-stamped on or before [Response Deadline], to the following address or fax number:

Grainger Class Action Settlement
[Settlement Administrator]
[Address]
[Fax Number]

Requests for exclusion which are postmarked or fax-stamped after the Response Deadline may not be accepted.

13. If I don't exclude myself, can I sue Grainger for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Grainger for the claims that this Settlement covers, for the period from September 24, 2014 through [date of Court preliminary approval]. *If you have a pending lawsuit, speak to your lawyer in that case immediately.* You must exclude yourself from this Class to continue your own lawsuit.

OBJECTING TO THE SETTLEMENT

14. How do I tell the Court that I don't like the Settlement?

If you do not think the Settlement is fair, you can object to the Settlement and tell the Court that you do not agree with the Settlement or some part of it. The Court will consider your views when deciding whether to grant final approval of the Settlement. This is the process to tell the Court if you think the Settlement as a whole is unfair. If you only think your Settlement Payment was miscalculated, use the process in Paragraph 9 of this Notice.

To object to the Settlement, you must mail a written Notice of Objection to the Settlement Administrator at the above address by [the Response Deadline]. The administrator will mail all objections to the parties' counsel, who will then file them with the Court. The Court will consider all objections in deciding whether to approve the Settlement. All written objections should (a) reference the case name and number (*Selina Rangel v. W.W Grainger, Inc.*, Stanislaus County Superior Court, Case No.: CV-18-003041); (b) explain the basis for the objection, (c) include the last four digits of your Social Security number and/or Employee ID number (your Social Security number will be redacted before an objection becomes part of the public record); and (d) be signed by you. They must also indicate if you intend to appear at the final approval hearing. In addition to submitting a written objection, you may appear at the final approval hearing to present your objection. If you fail to make a written objection and/or appear at the final approval hearing to object, then you will be deemed to have waived any such objection and will be foreclosed from making any objection to the Settlement, which by appeal or otherwise. Upon considering all objections submitted before or at the final approval hearing, the Court will rule on them, and if they are overruled, then the objector will be a Settlement Class Member and receive payment.

15. What is the difference between objecting and being excluded?

Objecting is telling the Court that you do not like something about the Settlement. You may only object if you remain a Settlement Class Member. Excluding yourself is telling the Court that you do not want to be a Settlement Class Member. If you exclude yourself, you cannot object.

THE COURT'S FINAL APPROVAL HEARING

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

The Court will hold a Final Approval Hearing before Judge John D. Freeland and Department 23 at the Stanislaus County Court House located at 801 10th Street, Modesto, California 95354 on [Date], at [Time]. At this hearing, the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's request for attorneys' fees and costs, the Class Representative Service Award, the allocation for PAGA penalties, and the Settlement Administration Costs. The Court may reschedule the Final Approval Hearing without further notice to Settlement Class Members.

17. Do I have to come to the hearing?

You are not required to attend the Final Approval Hearing, but you or your lawyer may attend if you choose. If you are a participating Settlement Class Member and you wish to speak or have your lawyer speak for you, you may do so. Please visit [<https://portal.stanct.org/Portal/>] or the case website at www.graingerclassactionsettlemt.com to see whether the Final Approval Hearing will be held on [scheduled date] or has been rescheduled to a new hearing date.

GETTING MORE INFORMATION

18. Who may I contact if I have questions about the Settlement?

If you have any questions about the Settlement, you may contact Class Counsel at the address or telephone number listed in Paragraph 6 of this Notice. You may also contact the Settlement Administrator by calling toll free 1-[telephone number], or by writing to the Settlement Administrator at the address shown in Paragraph 12, above.

If you would like to review relevant documents, including the settlement agreement and other Court-filed documents, please visit the website www.GraingerClassActionSettlement.com. Documents may also be reviewed during regular office hours, 8:15 a.m. to 4:00 p.m., Monday through Friday, at the Office of the Clerk, Room 4th Floor, at the address shown in Paragraph 16.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, OR GRAINGER MANAGERS, SUPERVISORS, OR THEIR ATTORNEYS FOR INFORMATION REGARDING THIS SETTLEMENT OR THE APPROVAL PROCESS. (Note: You may contact the Settlement Administrator, CPT Group, Inc. at the above address and phone numbers, or the attorneys identified as “Class Counsel” in Paragraph 6 of this Notice).

ADDITIONAL IMPORTANT INFORMATION

- 19. Grainger supports the Settlement and will not retaliate in any manner whatsoever** against any Class Member, whether they choose to stay in the Class as a Settlement Class Member and receive an Individual Settlement Payment, or request to be excluded from the Settlement, or object to the Settlement.
- 20. It is your responsibility to ensure that the Settlement Administrator has your current mailing address and telephone number on file**, as this will be the address to which your Individual Settlement Payment will be sent.
- 21. Individual Settlement Payment checks must be cashed soon after receipt.** Individual Settlement Payment checks that remain uncashed 180 calendar days after the date of issuance will be voided, and the funds represented by any such uncashed checks will be awarded by the Court and distributed by the Settlement Administrator to the American Red Cross (www.redcross.org). If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.