

1 Brian S. Kabateck, SBN 152054
2 bsk@kbklawyers.com
3 Cheryl A. Kenner, SBN 305758
4 ck@kbklawyers.com
5 **KABATECK BROWN KELLNER LLP**
6 644 S. Figueroa Street
7 Los Angeles, CA 90017
8 Phone: (213) 217-5000
9 Fax: (213) 217-5010

7 Raul Perez, SBN 174687
8 Raul.Perez@capstonelawyers.com
9 Arnab Banerjee, SBN 252618
10 Arnab.Banerjee@capstonelawyers.com
11 **CAPSTONE LAW APC**
12 1875 Century Park East, Suite 1000
13 Los Angeles, CA 90067
14 Phone: (310) 556-4136
15 Fax: (310) 943-0396

12 Attorneys for Plaintiffs and all others similarly situated

13 Lisa K. Garner, SBN 155554
14 Linh T. Hua, SBN 247419
15 **GORDON REES SCULLY MANSUKHANI, LLP**
16 633 West Fifth Street, 52nd Floor
17 Los Angeles, CA 90071
18 Phone: (213) 576-5000
19 Fax: (213) 680-4470

18 Attorneys for Defendant Andrews International, Inc.

19 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
20 **FOR THE COUNTY OF LOS ANGELES – CENTRAL CIVIL WEST**

21 STEVEN VARGAS, an individual; on
22 behalf of himself and all others similarly
23 situated,

24 Plaintiff,

25 v.

26 ANDREWS INTERNATIONAL, INC., a
27 Delaware Corporation; and, DOES 1 through
28 50, inclusive,

Defendants.

Case No.: BC601767

**STIPULATION OF CLASS ACTION
SETTLEMENT AND RELEASE OF
CLAIMS**

1 request for fees and reimbursement of costs as set forth above.

2 5. "Class Data."

3 Complete list of all Class Members that Defendant will diligently and in good faith
4 compile from its records and provide to the Settlement Administrator and to Class Counsel
5 within fourteen (14) calendar days after Preliminary Approval of this Settlement. The Class
6 Data will be formatted in Microsoft Office Excel and will include each Class Member's full
7 name; most recent mailing address and telephone number; Social Security number; dates of
8 employment; the respective number of Shifts that each Class Member worked during the Class
9 Period; and any other relevant information needed to calculate settlement payments.

10 6. "Class Member(s)" or "Settlement Class."

11 All persons who worked for Defendant in California as a non-exempt security guards
12 from July 10, 2013 to Preliminary Approval.

13 7. "Class Period."

14 The period from July 10, 2013 to Preliminary Approval.

15 8. "Class Representative Enhancement Payments."

16 The amounts to be paid to Plaintiffs in recognition of their effort and work in
17 prosecuting the Action on behalf of Class Members, and for their general release of claims.
18 Subject to the Court granting final approval of this Settlement Agreement and subject to the
19 exhaustion of any and all appeals, Plaintiffs will request Court approval of Class Representative
20 Enhancement Payments of Ten Thousand Dollars (\$10,000), each.

21 9. "Maximum Settlement Amount."

22 The Maximum Settlement Amount of Four Million Seven Hundred Thousand Dollars
23 (\$4,700,000), to be paid by Defendant in full satisfaction of all Released Claims arising from the
24 Action, which includes all Individual Settlement Payments to Participating Class Members,
25 Class Counsel Award to Class Counsel, the Class Representative Enhancement Payments to
26 Plaintiffs, the PAGA Payment, and Settlement Administration Costs to the Settlement
27 Administrator. Defendant will be separately responsible for any employer payroll taxes required by
28 law, including the employer FICA, FUTA, and SDI contributions, which shall not be paid from the

1 Maximum Settlement Amount. This Maximum Settlement Amount has been agreed to by
2 Plaintiffs and Defendant based on the aggregation of the agreed-upon settlement value of
3 individual claims. In no event will Defendant be liable for more than the Maximum Settlement
4 Amount and employer payroll taxes, except as otherwise explicitly set forth herein. There will
5 be no reversion of the Maximum Settlement Amount to Defendant.

6 10. "Court."

7 The Los Angeles County Superior Court or any other court taking jurisdiction of the
8 Settlement.

9 11. "Defendant."

10 Defendant Andrews International, Inc.

11 12. "Effective Date."

12 The latter of: (i) the date upon which the Court grants final approval of the Settlement if
13 no Class Members file objections to the Settlement; or (ii) if a Class Member files an objection
14 to the Settlement and that objection is not withdrawn, the Effective Date shall be the date sixty
15 (60) calendar days after the date upon which the Court grants final approval of the Settlement if
16 no appeal is initiated by an objector; or (iii) if a timely appeal is initiated by an objector or by
17 Class Counsel to an order which reduces their requested Class Counsel Award, the Effective
18 Date shall be the date of final resolution of that appeal (including any requests for rehearing
19 and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

20 13. "Final Approval."

21 The date on which the Court enters an order granting final approval of the Settlement
22 Agreement.

23 14. "Individual Settlement Payment."

24 The amount payable from the Net Settlement Amount to each Settlement Class Member
25 who has not submitted a timely and valid Request for Exclusion.

26 15. "PAGA Payment."

27 The amount that the Parties have agreed to pay to the Labor and Workforce
28 Development Agency ("LWDA") in connection with the Labor Code Private Attorneys General

1 Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”). The Parties have agreed that Fifty
2 Thousand Dollars (\$50,000) of the Maximum Settlement Amount will be allocated to the
3 resolution of Class Members’ claims arising under PAGA. Pursuant to PAGA, Seventy-Five
4 Percent (75%), or Thirty Seven Thousand Five Hundred Dollars (\$37,500), of the PAGA
5 Settlement Amount will be paid to the California Labor and Workforce Development Agency,
6 and Twenty-Five Percent (25%), or Twelve Thousand Five Hundred Dollars (\$12,500), of the
7 PAGA Settlement Amount will be included in the Net Settlement Amount.

8 16. “Named Plaintiffs” or “Class Representatives.”

9 Steven Vargas and Miguel Dominguez.

10 17. “Net Settlement Amount.”

11 The portion of the Maximum Settlement Amount remaining after deducting the Class
12 Counsel Award, the Class Representatives’ Enhancement Payments, the PAGA Payment, and
13 Settlement Administration Costs. The Net Settlement Amount will be distributed to
14 Participating Class Members. There will be no reversion of the Net Settlement Amount to
15 Defendant.

16 18. “Notice of Objection.”

17 A Class Member’s valid and timely written objection to the Settlement Agreement. For
18 the Notice of Objection to be valid, it must include: (i) the objector’s full name, signature,
19 address, and telephone number, (ii) a written statement of all grounds for the objection
20 accompanied by any legal support for such objection; (iii) copies of any papers, briefs, or other
21 documents upon which the objection is based; and (iv) a statement whether the objector intends
22 to appear at the Fairness Hearing. Any Class Member who does not submit a timely written
23 objection to the Settlement, or who fails to otherwise comply with the specific and technical
24 requirements of this section, will be foreclosed from objecting to the Settlement and seeking any
25 adjudication or review of the Settlement, by appeal or otherwise. Class Members who submit
26 Notices of Objection must make themselves available for deposition.

27 19. “Notice Packet.”

28 The Notice of Class Action Settlement, substantially in the form attached as Exhibit A.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

20. "PAGA."

The California Labor Code Private Attorneys General Act of 2004.

21. "Parties"

Plaintiffs and Defendant collectively.

22. "Participating Class Members."

All Class Members who do not submit timely and valid Requests for Exclusion.

23. "Plaintiffs."

Plaintiffs Steven Vargas and Miguel Dominguez.

24. "Preliminary Approval."

The date on which the Court enters an order granting preliminary approval of the Settlement Agreement.

25. "Released Claims."

All claims, rights, demands, liabilities, and causes of action, that were plead or reasonably could have been plead under the Labor Code, state or local wage and hour laws, based on the facts alleged in the First Amended Complaint, including claims for:; any meal break violations, including non-compliant on-duty meal breaks; overtime wages; minimum wage violations; rest break violations; failing to maintain accurate time records; receipt of inaccurate itemized wage statements; failure to pay wages within 72 hours of their termination; waiting time penalties; all claims arising under Cal. Labor Code secs. 201, 202, 203, 204, 226(a), 226.3, 226.7, 510, 512, 1194, 1194.2, 1197, and IWC Wage Orders Nos. 4-2001 secs. 3, 11, 12 and civil and statutory penalties, interest and liquidated damages; all claims arising under the California Labor Code Private Attorneys General Act of 2004 (Labor Code sections 2698, et seq., "PAGA"). Also included are all related claims for conversion and violation of Cal. Business & Professions Code Section 17200.

26. "Released Parties."

Defendant; its past, present and/or future officers, direct and/or indirect, parents, predecessors, successors, all affiliates, subsidiaries, officers, directors, agents, employees, stockholders, principals, heirs, representatives, accountants, auditors, consultants, insurers and

1 reinsurers, and its respective successors and predecessors in interest, subsidiaries, affiliates,
2 parents and attorneys, if any.

3 27. "Request for Exclusion."

4 A timely letter submitted by a Class Member indicating a request to be excluded from
5 the Settlement. The Request for Exclusion must: (i) set forth the name, address, telephone
6 number and last four digits of the Social Security Number of the Class Member requesting
7 exclusion; (ii) be signed by the Class Member; (iii) be returned to the Settlement Administrator;
8 (iv) clearly state that the Class Member does not wish to be included in the Settlement; and (v)
9 be faxed or postmarked on or before the Response Deadline.

10 28. "Response Deadline."

11 The date thirty (30) days after the Settlement Administrator mails the Notice to
12 Settlement Class Members and the last day by which Class Members must postmark to the
13 Settlement Administrator Requests for Exclusion, or postmark Notices of Objection to the
14 Settlement Administrator.

15 29. "Settlement Administration Costs."

16 The costs payable from the Maximum Settlement Amount to the Settlement
17 Administrator for administering this Settlement, including, but not limited to, printing,
18 distributing, and tracking documents for this Settlement, tax reporting, distributing the
19 Maximum Settlement Amount, and providing necessary reports and declarations, as requested
20 by the Parties. The Settlement Administration Costs will be paid from the Maximum Settlement
21 Amount, including, if necessary, any such costs in excess of the amount represented by the
22 Settlement Administrator as being the maximum costs necessary to administer the Settlement.
23 Based on an estimated Settlement Class of approximately Five Thousand Five Hundred (5,500)
24 Class Members, the Settlement Administration Costs are currently estimated to be Forty-Five
25 Thousand Dollars (\$45,000).

26 30. "Settlement Administrator."

27 A other third-party class action settlement administrator agreed to by the Parties and
28 approved by the Court for the purposes of administering this Settlement. The Parties each

1 represent that they do not have any financial interest in the Settlement Administrator or
2 otherwise have a relationship with the Settlement Administrator that could create a conflict of
3 interest.

4 31. "Shift."

5 A work day exceeding three-and-a-half (3.5) hours.

6 **TERMS OF AGREEMENT**

7 The Plaintiffs, on behalf of themselves and the Settlement Class, and Defendant agree as
8 follows:

9 32. Settlement Consideration.

10 Defendant shall pay the Maximum Settlement amount. In not event shall Defendant be
11 required to pay more than the Maximum Settlement Fund.

12 33. Release by All Settlement Class Members.

13 As of the Effective Date, in exchange for the consideration set forth in this Agreement,
14 Plaintiffs and the Settlement Class Members release the Released Parties from the Released
15 Claims for the Class Period. Plaintiffs and the Settlement Class Members may hereafter
16 discovery facts or legal arguments in addition to or different from those they now know or
17 currently believe to be true with respect to the claims, causes of action and legal theories of
18 recovery in this case which are the subject matter of the Released Claims. Regardless, the
19 discovery of new facts or legal arguments shall in no way limit the scope or definition of the
20 Released Claims, and by virtue of this Agreement, Plaintiffs and the Settlement Class Members
21 shall be deemed to have, and by operation of the final judgment approved by the Court, shall
22 have, fully, finally, and forever settled and released all of the Released Claims as defined in this
23 Agreement.

24 34. General Release and Waiver of Future Employment by Named Plaintiffs.

25 As of the Effective Date, in exchange for the consideration set forth in this Agreement,
26 Plaintiffs, for themselves and their heirs, successors and assigns, do hereby waive, release,
27 acquit and forever discharge the Released Parties, from any and all claims, actions, charges,
28 complaints, grievances and causes of action, of whatever nature, whether known or unknown,

1 which exist or may exist on Plaintiffs' behalf as of the date of this Agreement, including, but not
2 limited to, any and all tort claims, contract claims, wage claims, wrongful termination claims,
3 disability claims, benefit claims, public policy claims, retaliation claims, statutory claims,
4 personal injury claims, emotional distress claims, invasion of privacy claims, defamation claims,
5 fraud claims, *quantum meruit* claims, and any and all claims arising under any federal, state or
6 other governmental statute, law, regulation or ordinance, including, but not limited to, claims for
7 violation of the FLSA, the California Labor Code, the Wage Orders of California's Industrial
8 Welfare Commission, other state wage and hour laws, the Americans with Disabilities Act, the
9 Age Discrimination in Employment Act (ADEA), the Employee Retirement Income Security
10 Act, Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing
11 Act, the California Family Rights Act, the Family Medical Leave Act, California's
12 Whistleblower Protection Act, California Business & Professions Code Section 17200 *et seq.*,
13 and any and all claims arising under any federal, state or other governmental statute, law,
14 regulation or ordinance. Plaintiffs also forever release, waive, and relinquish any right or claim
15 to be hired by, or to reinstatement with, Defendant (or the Released Parties). Plaintiffs hereby
16 expressly waive and relinquish any and all claims, rights or benefits that they may have under
17 California Civil Code § 1542, which provides as follows:

18 *A general release does not extend to claims which the creditor does not*
19 *know or suspect to exist in his or her favor at the time of executing the*
20 *release which if known by him or her must have materially affected his or*
21 *her settlement with the debtor.*

22 Plaintiffs may hereafter discover claims or facts in addition to, or different from, those
23 which they now know or believe to exist, but Plaintiffs expressly agree to fully, finally and
24 forever settle and release any and all claims against the Released Parties, known or unknown,
25 suspected or unsuspected, which exist or may exist on behalf of or against the other at the time
26 of execution of this Agreement, including, but not limited to, any and all claims relating to or
27 arising from Plaintiffs' employment with Defendant.
28

1 The Parties further acknowledge, understand and agree that this representation and
2 commitment is essential to the Agreement and that this Agreement would not have been
3 entered into were it not for this representation and commitment.

4 35. Condition Precedent.

5 This Settlement will become final and effective only upon the occurrence of all of the
6 following events:

- 7 1. The Court enters an order granting preliminary approval of the
8 Settlement;
- 9 2. The Court enters an order granting final approval of the Settlement and
10 a Final Judgment in favor of Defendant in the Action;
- 11 3. If any Class Member objects to the Settlement and does not subsequently
12 withdraw the objection prior to Final Approval, the time to file a Notice of Appeal of the Final
13 Judgment and Order Granting Final Approval of Class Action Settlement expires; or, if an
14 appeal is timely filed, there is a final resolution of any such appeal(s) from the Judgment and
15 Order Granting Final Approval of Class Action Settlement; and
- 16 4. Defendant does not invoke its right to revoke the Settlement as
17 provided herein.
- 18 5. In the event that an appeal is filed by Class Counsel, solely as to the
19 amount of any possible reduction of the Class Counsel Award, the Effective Date is the date
20 of final resolution of such appeal.

21 36. Nullification of the Settlement Agreement.

22 If this Settlement Agreement is not preliminarily or finally approved by the Court, fails
23 to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents
24 or prohibits Defendant from obtaining a complete resolution of the claims as described herein
25

- 26 1. This Settlement Agreement shall be void *ab initio* and of no force or
27 effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for
28 any purpose or with respect to any issue, substantive or procedural;

1 2. The Parties shall return to the pre-settlement litigation status, prior to the
2 execution of this Settlement or MOU in the Action;

3 3. None of the Parties to this Settlement will be deemed to have waived any
4 claims, objections, defenses or arguments in the Actions.

5 37. Tax Liability.

6 The Parties make no representations as to the tax treatment or legal effect of the
7 payments called for hereunder, and Settlement Class Members are not relying on any statement
8 or representation by the Parties in this regard. Settlement Class Members understand and agree
9 that they will be responsible for the payment of any employee taxes and penalties assessed on
10 the Individual Settlement Payments described herein and will hold the Parties free and harmless
11 from and against any claims, liabilities, costs and expenses, including attorney's fees, resulting
12 in any way from personal tax treatment of the payments made pursuant to this Agreement,
13 including the treatment of such payments as not subject to withholding or deduction for payroll
14 and employment taxes. Defendant's share of any employer payroll taxes attributed to the wage
15 portion of the Individual Settlement Payments and other required employer withholdings due on
16 the Individual Settlement Payments, including but not limited to Defendant's FICA and FUTA
17 contributions, shall be paid separately from the Maximum Settlement Fund.

18 38. Circular 230 Disclaimer.

19 Each Party to this Agreement (for purposes of this section, the "acknowledging party"
20 and each Party to this Agreement other than the acknowledging party, an "other party")
21 acknowledges and agrees that: (1) no provision of this Agreement, and no written
22 communication or disclosure between or among the Parties or their attorneys and other advisers,
23 is or was intended to be, nor shall any such communication or disclosure constitute or be
24 construed or be relied upon as, tax advice within the meaning of United States Treasury
25 Department circular 230 (31 CFR part 10, as amended); (2) the acknowledging party (a) has
26 relied exclusively upon his, her or its own, independent legal and tax counsel for advice
27 (including tax advice) in connection with this Agreement, (b) has not entered into this
28 Agreement based upon the recommendation of any other Party or any attorney or advisor to any

1 other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney
2 or adviser to any other party to avoid any tax penalty that may be imposed on the
3 acknowledging party, and (3) no attorney or adviser to any other Party has imposed any
4 limitation that protects the confidentiality of any such attorney's or adviser's tax strategies
5 (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging
6 party of the tax treatment or tax structure of any transaction, including any transaction
7 contemplated by this Agreement.

8 39. Settlement Administrator Duties.

9 The Settlement Administrator shall be responsible for: (a) processing and mailing
10 payments to the Class Representatives, Class Counsel, LWDA and Settlement Class Members;
11 (b) printing and mailing the Notice to the Settlement Class Members as directed by the Court;
12 (c) receiving and reporting the objections and requests for exclusion; (d) deducting all legally
13 required taxes from Individual Settlement Payments and distributing tax forms; (e) processing
14 and mailing tax payments to the appropriate state and federal taxing authorities; (f) providing
15 declaration(s), as necessary, in support of preliminary and/or final approval of this Settlement;
16 and (g) other tasks as the Parties mutually agree or the Court orders the Settlement
17 Administrator to perform. The Settlement Administrator shall keep the Parties timely apprised
18 of the performance of all Settlement Administrator responsibilities.

19 40. Net Settlement Amount.

20 The entire Net Settlement Amount will be distributed to Participating Class Members.
21 No portion of the Net Settlement Amount will revert or be retained by Defendant.

22 41. Individual Settlement Payment Calculations.

23 Individual Settlement Payments will be calculated and apportioned from the Net
24 Settlement Amount based on the number of Shifts a Class Member worked during the Class
25 Period. Specific calculations of Individual Settlement Payments will be made as follows:

- 26 41(a) Defendant will calculate the total number of Shifts worked by each
27 Class Member during the Class Period and the aggregate total number
28 of Shifts worked by all Class Members during the Class Period.

1 41(b) To determine each Class Member’s estimated “Individual Settlement
2 Payment,” the Settlement Administrator will use the following
3 formula: The Net Settlement Amount will be divided by the
4 aggregate total number of Shifts, resulting in the “Shift Value.” Each
5 Class Member’s “Individual Settlement Payment” will be calculated
6 by multiplying each individual Class Member’s total number of Shifts
7 by the Shift Value.

8 41(c) The Individual Settlement Payment will be reduced by any required
9 deductions for each Participating Class Members as specifically set
10 forth herein, including employee-side tax withholdings or deductions.

11 41(d) The entire Net Settlement Amount will be disbursed to all Class
12 Members who do not submit timely and valid Requests for Exclusion.
13 If there are any valid and timely Requests for Exclusion, the
14 Settlement Administrator shall proportionately increase the Individual
15 Settlement Payment for each Participating Class Member according to
16 the number of Shifts worked, so that the amount actually distributed
17 to the Participating Class Members equals 100% of the Net
18 Settlement Amount.

19 42. No Credit Toward Benefit Plans.

20 Neither this Settlement nor any amounts paid under the Settlement will modify any
21 previously credited hours or service under any employee benefit plan, policy, or bonus program
22 sponsored by Defendant. Such amounts will not form the basis for additional contributions to,
23 benefits under, or any other monetary entitlement under Defendant-sponsored benefit plans,
24 policies, or bonus programs. The payments made under the terms of this Stipulation shall not be
25 applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any
26 other form of compensation for the purposes of Defendant's benefit plan, policy, or bonus
27 program. Defendant retains the right to modify the language of its benefit plans, policies and
28 bonus programs to effect this intent, and to make clear that any amounts paid pursuant to this

1 Settlement are not for "hours worked," "hours paid," "hours of service," or any similar
2 measuring term as defined by applicable plans, policies and bonus programs for purposes of
3 eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or
4 benefits are not required by this Settlement.

5 43. Delivery of the Class Data.

6 Within fourteen (14) calendar days of Preliminary Approval, Defendant will provide the
7 Class Data to the Settlement Administrator and to Class Counsel. The Class Data shall be
8 confidential. The Settlement Administrator shall not provide the Class Data to Class Counsel,
9 Plaintiffs or any third party, or use the Class Data or any information contained therein for any
10 purpose other than to administer this Settlement. Class Counsel agree herein not to receive the
11 same unless it becomes necessary for purposes of carrying out any of the terms of this
12 Settlement Agreement.

13 44. Notice by First-Class U.S. Mail.

14 Within ten (10) calendar days after receiving the Class Data from Defendant, the
15 Settlement Administrator will mail a Notice Packet to all Class Members via regular First-Class
16 U.S. Mail, using the most current, known mailing addresses identified in the Class Data.

17 45. Confirmation of Contact Information in the Class Data and Undeliverable
18 Notices.

19 Prior to mailing, the Settlement Administrator will perform a search based on the
20 National Change of Address Database for information to update and correct for any known or
21 identifiable address changes. Any Notice Packets returned to the Settlement Administrator as
22 non-deliverable on or before the Response Deadline will be sent promptly via regular First-
23 Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will
24 indicate the date of such re-mailing on the Notice Packet. If no forwarding address is provided,
25 the Settlement Administrator will promptly attempt to determine the correct address using a
26 skip-trace, or other search using the name, address and/or Social Security number of the Class
27 Member involved, and will then perform a single re-mailing. Those Class Members who
28 receive a re-mailed Notice Packet, whether by skip-trace or by request, will have between the

1 later of (a) an additional ten (10) calendar days or (b) the Response Deadline to submit a
2 Request for Exclusion or an objection to the Settlement.

3 46. Notice Packets.

4 All Class Members will be mailed a Notice Packet. Each Notice Packet will provide: (i)
5 information regarding the nature of the Action; (ii) a summary of the Settlement's principal
6 terms; (iii) the Settlement Class definition; (iv) the total number of Shifts each respective Class
7 Member worked for Defendant during the Class Period and instructions and the deadline for
8 disputing their total number of Shifts; (v) each Class Member's estimated Individual Settlement
9 Payment and the formula for calculating Individual Settlement Payments; (vi) the dates which
10 comprise the Class Period; (vii) instructions on how to submit Requests for Exclusion or
11 Notices of Objection; (viii) the deadlines by which Class Members must postmark or fax
12 Request for Exclusions, or postmark Notices of Objection to the Settlement; and (ix) the claims
13 to be released.

14 47. Disputes Regarding Individual Settlement Payments.

15 Settlement Class Members will have the opportunity, should they disagree with
16 Defendant's records regarding the work-shifts worked by Settlement Class Members as stated on
17 their individual Notice, to provide documentation and/or an explanation to support a claim to
18 additional work-shifts. If there is a dispute, the Settlement Administrator will consult with the
19 Parties to determine whether an adjustment is warranted. Absence evidence to the contrary,
20 Defendant's records will be presumed correct. The Settlement Administrator shall determine
21 the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of
22 this Agreement. The Settlement Administrator's determination of the eligibility for and amount
23 of any Individual Settlement Payment shall be binding upon the Settlement Class Member and
24 the Parties. All disputes will be decided within ten (10) business days of the Response
25 Deadline. The Settlement Administrator shall inform Class Counsel in a timely fashion as to the
26 submission and resolution of all disputes.

27 48. Request for Exclusion Procedures.

28 The Notice shall state that Settlement Class Members who wish to exclude themselves

1 from the Settlement must submit to the Settlement Administrator a written statement requesting
2 exclusion from the Settlement. The written statement must contain the Settlement Class
3 Member's name, address, and telephone number. The Request for Exclusion will not be valid if
4 it is not timely submitted by the Response Deadline and received by the Settlement
5 Administrator. The date of the postmark on the return mailing envelope on the Request for
6 Exclusion shall be the exclusive means used to determine whether the Request for Exclusion
7 was timely submitted. Any Settlement Class Member who requests to be excluded from the
8 Settlement Class will not be entitled to any recovery under the Settlement and will not be bound
9 by the terms of the Settlement or have any right to object, appeal or comment thereon.

10 Settlement Class Members who fail to submit a valid and timely written Request for
11 Exclusion on or before the Response Deadline shall be bound by all terms of the Settlement and
12 any final judgment entered in this Action if the Settlement is approved by the Court. No later
13 than seven (7) calendar days after the Response Deadline, the Settlement Administrator shall
14 provide counsel for Defendant with a final list of the Settlement Class Members who have
15 timely submitted Requests for Exclusion. At no time shall any of the Parties or their counsel
16 seek to solicit or otherwise encourage members of the Settlement Class to submit Requests for
17 Exclusion from the Settlement.

18 49. Objections.

19 The Notice shall state that Settlement Class Members who wish to object to the
20 Settlement must serve on the Settlement Administrator a written statement of objection ("Notice
21 of Objection") by the Response Deadline. The date on the proof of service shall be deemed the
22 exclusive means for determining that a Notice of Objection was served timely. The Notice of
23 Objection must be signed by the Settlement Class Member and must state: (1) the full name of
24 the Settlement Class Member; (2) all legal and/or factual bases supporting the objection; (3) the
25 dates of employment of the Settlement Class Member; (4) the last four digits of the Settlement
26 Class Member's Social Security number and/or the Employee ID number; (5) if the Settlement
27 Class Member intends to appear at the Final Approval/Settlement Fairness Hearing. Settlement
28 Class Members who fail to make objections in the manner specified above shall be deemed to

1 have waived any objections and shall be foreclosed from making any objections (whether by
2 appeal or otherwise) to the Settlement and from moving to vacate the Judgment. Settlement
3 Class Members who submit a timely Notice of Objection will have a right to appear at the Final
4 Approval/Settlement Fairness Hearing in order to have their objections heard by the Court. No
5 Settlement Class Member may be heard at the Final Approval/Settlement Fairness Hearing
6 unless he or she has served a timely objection that complies with the procedures provided in this
7 paragraph. At no time shall any of the Parties or their counsel seek to solicit or otherwise
8 encourage Settlement Class Members to file or serve written objections to the Settlement or
9 appeal from the Order and Final Judgment. Settlement Class Members who submit a Request
10 for Exclusion are not entitled to object to the Settlement.

11 50. Allocations of Individual Settlement Payments. All Individual Settlement
12 Payments will be allocated as follows: one-quarter (1/4) as wages and three-quarters (3/4) as
13 penalties and interest.

14 51. Funding of the Maximum Settlement Amount.

15 Defendant will make a one-time deposit of the Maximum Settlement Amount of Four
16 Million Seven Hundred Thousand Dollars (\$4,700,000) into a Qualified Settlement Account to
17 be established by the Settlement Administrator. Defendant will concurrently deposit the
18 employer payroll taxes into the Qualified Settlement Account. After the Effective Date, the
19 Maximum Settlement Amount will be used for: (i) Individual Settlement Payments (including
20 payroll taxes); (ii) the PAGA Payment; (iii) the Class Representative Enhancement Payments;
21 (iv) Class Counsel Award; and (v) Settlement Administration Costs. Defendant will deposit the
22 Maximum Settlement Amount within twenty-five (25) calendar days of the Effective Date.

23 52. Class Counsel Award.

24 Defendant agrees not to oppose or impede any application or motion by Class Counsel
25 for Class Counsel Award of not more than one-third (1/3) of the Maximum Settlement Amount,
26 which is One Million Five Hundred Sixty Six Thousand Six Hundred Sixty Seven Dollars
27 (\$1,566,667), plus the reimbursement of costs and expenses associated with Class Counsel's
28 litigation and settlement of the Action, not to exceed Thirty Five Thousand Dollars (\$35,000),

1 both of which will be paid from the Maximum Settlement Amount. Any portion of the requested
2 Class Counsel Award that is not awarded to Class Counsel shall be added to the Net Settlement
3 Amount and shall be distributed to Settlement Class Members as provided in this Agreement,
4 subject however to the right of appeal as set forth herein. The Settlement Administrator shall
5 pay the Class Counsel Award to Class Counsel from the Maximum Settlement Fund no later
6 than twenty-five (25) days after the Effective Date. Class Counsel shall be solely and legally
7 responsible to pay all applicable taxes on the payment made pursuant to this paragraph. The
8 Settlement Administrator shall issue an IRS Form 1099 MISC to Class Counsel for the
9 payments made pursuant to this paragraph.

10 53. Class Representative Enhancement Payments.

11 In exchange for general releases, and in recognition of their effort and work in
12 prosecuting the Action on behalf of Class Members, Defendant agrees not to oppose or impede
13 any application or motion for Class Representative Enhancement Payments of Ten Thousand
14 Dollars (\$10,000) each, to Named Plaintiffs, Steven Vargas and Miguel Dominguez. The Class
15 Representative Enhancement Payments will be paid from the Maximum Settlement Amount and
16 will be in addition to Named Plaintiffs' Individual Settlement Payment paid pursuant to the
17 Settlement. Named Plaintiffs will be solely and legally responsible to pay any and all applicable
18 taxes on the Class Representative Enhancement Payment.

19 54. Settlement Administration Costs.

20 The Settlement Administrator will be paid for the reasonable costs of administration of
21 the Settlement and distribution of payments from the Maximum Settlement Amount, which is
22 currently estimated to be Thirty Thousand Dollars (\$30,000). These costs, which will be paid
23 from the Maximum Settlement Amount, will include, *inter alia*, the required tax reporting on
24 the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing
25 Notice Packets, calculating and distributing the Maximum Settlement Amount, and providing
26 necessary reports and declarations. If the actual costs exceed the current estimate, a maximum
27 of Fifty Thousand Dollars (\$50,000) will be paid from the Maximum Settlement Amount. The
28 Settlement Administrator's costs shall not exceed Fifty Thousand Dollars (\$50,000).

1 55. PAGA Payment.

2 Subject to Court approval, the Parties agree that the amount of Fifty Thousand Dollars
3 (\$50,000) from the Maximum Settlement Amount will be designated for satisfaction of
4 Plaintiffs' and Class Members' PAGA claims. Pursuant to PAGA, Seventy-Five Percent (75%),
5 or Thirty Seven Thousand Five Hundred Dollars (\$37,500), of this sum will be paid to the
6 LWDA and Twenty-Five Percent (25%), or Twelve Thousand Five Hundred Dollars (\$12,500),
7 will become part of the Net Settlement Amount.

8 56. Government Actions Affecting Settlement.

9 If any administrative proceeding or action is commenced by any federal, state or local
10 governmental authority in a *parens patriae* function asserting claims within the scope of the
11 Action, Plaintiffs and Class Counsel shall fully support Defendant by asserting that the
12 governmental action is within the scope of this Action, settlement, and the judgment entered
13 herein.

14 57. Settlement Terms Bind All Class Members Who Do Not Opt Out. Any Class

15 Member who does not affirmatively opt-out of the Settlement Agreement by submitting a timely
16 and valid Request for Exclusion will be bound by all of its terms, including those pertaining to
17 the Released Claims, as well as any Judgment that may be entered by the Court if it grants final
18 approval to the Settlement.

19 58. Certification Reports Regarding Individual Settlement Payment Calculations.

20 The Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly
21 report that certifies the number of Class Members who have submitted valid Requests for
22 Exclusion, objections to the Settlement, and whether any Class Member has submitted a
23 challenge to any information contained in their Notice Packet. Additionally, the Settlement
24 Administrator will provide to counsel for both Parties any updated reports regarding the
25 administration of the Settlement Agreement as needed or requested.

26 59. Distribution Timing of Individual Settlement Payments. Within thirty (30)

27 calendar days after the Effective Date, the Settlement Administrator will issue payments to: (i)
28 Participating Class Members; (ii) the Labor and Workforce Development Agency; (iii)

1 Plaintiffs; and (iv) Class Counsel. The Settlement Administrator will also issue a payment to
2 itself for Court-approved services performed in connection with the Settlement.

3 60. Un-cashed Settlement Checks. Funds represented by Individual Settlement
4 Payment checks returned as undeliverable and Individual Settlement Payment checks remaining
5 un-cashed for more than one hundred and eighty (180) calendar days after issuance will be
6 tendered to the California Department of Industrial Relations Unpaid Wage Fund in the name of
7 the Participating Class Member (*see* Cal. Lab. Code § 96.6).

8 61. Certification of Completion. Upon “Completion” of administration of the
9 Settlement, the Settlement Administrator will provide a written declaration under oath to certify
10 such completion to the Court and counsel for all Parties. “Completion” means five (5) calendar
11 days after all funds from uncashed checks have been redirected to the California Department of
12 Industrial Relations Unpaid Wage Fund.

13 62. Administration of Taxes by the Settlement Administrator. The Settlement
14 Administrator will be responsible for issuing to Plaintiffs, Participating Class Members, and
15 Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid
16 pursuant to this Settlement. The Settlement Administrator will also be responsible for
17 forwarding all payroll taxes and penalties to the appropriate government authorities.

18 63. No Prior Assignments. The Parties and their counsel represent, covenant, and
19 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
20 to assign, transfer, or encumber to any person or entity any portion of any liability, claim,
21 demand, action, cause of action or right herein released and discharged.

22 64. Nullification of Settlement Agreement. In the event that: (i) the Court does not
23 finally approve the Settlement as provided herein; or (ii) the Settlement does not become final
24 for any other reason, then this Settlement Agreement, and any documents generated to bring it
25 into effect, will be null and void. Any order or judgment entered by the Court in furtherance of
26 this Settlement Agreement will likewise be treated as void from the beginning.

27 65. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the Court
28 to request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary

1 Approval Order for: (i) conditional certification of the Settlement Class for settlement purposes
2 only, (ii) preliminary approval of the proposed Settlement Agreement, (iii) setting a date for a
3 Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for
4 the Notice Packet to be sent to all Class Members as specified herein. In conjunction with the
5 Preliminary Approval hearing, Plaintiffs will submit this Settlement Agreement, which sets
6 forth the terms of this Settlement, and will include the proposed Notice Packet, which will
7 include both the proposed Notice of Class Action Settlement document, attached as Exhibit A.
8 Class Counsel will be responsible for drafting all documents necessary to obtain preliminary
9 approval. Plaintiffs shall send the preliminary approval motion to Defendant's counsel for
10 comment at least six (6) business days before any filing deadline. Defendant's counsel will
11 have three (3) business days to review and provide comments/revisions to the preliminary
12 approval motion, and to provide Class Counsel with an updated estimate of the total number of
13 Class Members. Class Counsel will make a good faith effort to incorporate and address
14 Defendant's counsel's comments and revisions, but will retain final editorial discretion over the
15 content of the moving papers.

16 66. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of
17 the deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement,
18 and with the Court's permission, a Final Approval/Settlement Fairness Hearing will be
19 conducted to determine the Final Approval of the Settlement Agreement along with the amounts
20 properly payable for: (i) Class Counsel Award; (ii) the Class Representative Enhancement
21 Payments; (iii) Individual Settlement Payments; (iv) the PAGA Payment; and (v) all Settlement
22 Administration Costs. The Final Approval/Settlement Fairness Hearing will not be held earlier
23 than thirty (30) calendar days after the Response Deadline. Class Counsel will be responsible
24 for drafting all documents necessary to obtain final approval. Class Counsel will also be
25 responsible for drafting the attorneys' fees and costs application to be heard at the final approval
26 hearing. Plaintiffs shall send the final approval motion to Defendant's counsel for comment at
27 least six (6) business days before any filing deadline. Defendant's counsel will have three (3)
28 business days to review and provide comments/revisions to the final approval motion. Class

1 Counsel will make a good faith effort to incorporate and address Defendant's counsel's
2 comments and revisions, but will retain final editorial discretion over the content of the moving
3 papers.

4 67. Declaration by Settlement Administrator.

5 The Settlement Administrator shall submit a declaration in support of Plaintiffs' motion
6 for final approval of this Settlement detailing the number of Notices mailed and re-mailed to
7 Settlement Class Members, the number of undeliverable Notices, the number of timely Requests
8 for Exclusion, the number of timely objections received, the amount of the average Individual
9 Settlement Payment, the Settlement Administration Costs, and any other information as the
10 Parties mutually agree or the Court orders the Settlement Administrator to provide If the motion
11 for final approval is filed prior to the Response Deadline, the Settlement Administrator shall, if
12 requested to do so, submit a Supplemental Declaration following the Response deadline,
13 updating the information set forth above.

14 68. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by
15 the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the
16 Judgment to the Court for its approval. After entry of the Judgment, the Court will have
17 continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement
18 of the terms of the Settlement, (ii) Settlement administration matters, and (iii) such post-
19 Judgment matters as may be appropriate under court rules or as set forth in this Settlement
20 Agreement.

21 69. Final Approval Order and Judgment.

22 The Parties shall present a Judgment and Order Granting Final Approval of Class Action
23 Settlement to the Court for its approval. The Final Judgment shall, among other things:

24 A. Find that the Court has personal jurisdiction over all Settlement Class
25 Members and that the Court has subject matter jurisdiction to approve this Stipulation and
26 all exhibits thereto;

27 B. Approve this Stipulation and the proposed Settlement as fair, reasonable
28 and adequate, consistent and in compliance with all applicable requirements of the

1 California and United States Constitutions (including the due process clauses), any other
2 applicable law, and in the best interests of each of the Parties and the Class Members;
3 direct the Parties and their counsel to implement this Stipulation according to its terms and
4 provisions; and declare this Stipulation to be binding on Plaintiffs and all other Settlement
5 Class Members, except those who timely and properly filed Request for Exclusions, as
6 well as their heirs, executors and administrators, successors and assigns;

7 C. Find that the Notice and notice methodology implemented pursuant to this
8 Stipulation (i) constituted the best practicable notice; (ii) constituted notice that was
9 reasonably calculated, under the circumstances, to apprise Settlement Class Members of
10 the pendency of the Action, their right to object to or exclude themselves from the
11 proposed Settlement and their right to appear at the Final Settlement Hearing; (iii) were
12 reasonable and constituted due, adequate and sufficient notice to all persons entitled to
13 receive notice; and (iv) met all applicable requirements of the California and United States
14 Constitutions (including the Due Process Clause), and any other applicable law;

15 D. Find that Plaintiffs and Class Counsel adequately represented the
16 Settlement Class for purposes of entering into and implementing the settlement;

17 E. Entry of Judgment terminating the Action;

18 C. Incorporate the Released Claims set forth in this Agreement, make the
19 Released Claims effective as of the date of the Preliminary Approval Date, and forever
20 discharge the Released Parties from any claims or liabilities arising from or related to the
21 Actions;

22 D. Permanently bar and enjoin Plaintiffs and all Settlement Class Members
23 who have not been timely and properly excluded from the Settlement Class, and any
24 person acting on their behalf, from filing, commencing, prosecuting, intervening in,
25 participating in (as class members or otherwise), or receiving any benefits or other relief
26 from, any other lawsuit, in any state or federal court, arbitration, or administrative,
27 regulatory or other proceeding or order in any jurisdiction based on or relating to the
28 claims and causes of action, or the facts and circumstances relating thereto, in the Actions;

1 E. Authorize the Parties, without further approval from the Court, to agree to
2 and to adopt such amendments, modifications and expansions of this Stipulation and all
3 exhibits attached hereto as (i) are consistent with the Final Judgment; and (ii) do not limit
4 the rights of Settlement Class Members under the Stipulation.

5 70. Class Size Cap. The Maximum Settlement Amount was calculated with, and is
6 premised on, the understanding that there are approximately Five Thousand Five Hundred
7 (5,500) Class Members eligible to participate in the Settlement. If the number of Class
8 Members covered by the settlement is greater than Six Thousand Five Hundred (6,500), then the
9 Parties agree to cap the class size at 6,500 Class Members (in order of date of hire). All
10 individuals excluded from the Settlement Class as a result of the cap will not release the
11 Released Claims.

12 71. Defendant's Right to Rescind. If, after the Response Deadline, the total number
13 of Settlement Class Members who submitted timely and valid Requests for Exclusion from the
14 Settlement is over five percent (5%) of all Settlement Class Members, Defendant shall have, in
15 its sole discretion, the option to terminate this Settlement. If Defendant exercises the option to
16 terminate this Settlement, Defendant shall: (a) provide written notice to Class Counsel within
17 fourteen (14) calendar days after the Response Deadline and (b) pay all Settlement
18 Administration Costs incurred up to the date or as a result of the termination; and the Parties
19 shall proceed in all respects as if this Agreement had not been executed.

20 72. Termination Due to Material Modification of Agreement by Court.

21 If the Court modifies this Agreement in a material manner, the adversely-affected Party
22 shall have the right to void the Agreement. The Court's denial of the Parties' request for an
23 injunction against Settlement Class Members (who have not timely opted out of the Settlement)
24 from pursuing claims released by this Agreement shall not constitute a material modification of
25 this Agreement.

26 73. Exhibits Incorporated by Reference. The terms of this Settlement Agreement
27 include the terms set forth in any attached Exhibits, which are incorporated by this reference as
28 though fully set forth herein. Any Exhibits to this Settlement Agreement are an integral part of

1 the Settlement.

2 74. Entire Agreement. This Settlement Agreement and any attached Exhibits
3 constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous
4 written or oral agreements may be deemed binding on the Parties. The Parties expressly
5 recognize California Civil Code Section 1625 and California Code of Civil Procedure Section
6 1856(a), which provide that a written agreement is to be construed according to its terms and
7 may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such
8 extrinsic oral or written representations or terms will modify, vary or contradict the terms of this
9 Settlement Agreement.

10 75. Amendment or Modification. This Agreement may be amended or modified
11 only by a written instrument signed by counsel for all Parties or their successors-in-interest.

12 76. Authorization to Enter Into Settlement Agreement. Counsel for all Parties
13 warrant and represent they are expressly authorized by the Parties whom they represent to
14 negotiate this Settlement Agreement and to take all appropriate action required or permitted to
15 be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to
16 execute any other documents required to effectuate the terms of this Settlement Agreement. The
17 Parties and their counsel will cooperate with each other and use their best efforts to effect the
18 implementation of the Settlement. If the Parties are unable to reach agreement on the form or
19 content of any document needed to implement the Settlement, or on any supplemental
20 provisions that may become necessary to effectuate the terms of this Settlement, the Parties may
21 seek the assistance of the Court to resolve such disagreement.

22 77. Binding on Successors and Assigns. This Settlement Agreement will be binding
23 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously
24 defined.

25 78. California Law Governs. All terms of this Settlement Agreement and Exhibits
26 hereto will be governed by and interpreted according to the laws of the State of California.

27 79. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the
28 Actions, except such proceedings necessary to implement and complete the Settlement, pending

1 the Final Approval/Settlement Fairness Hearing to be conducted by the Court.

2 80. Execution and Counterparts. This Settlement Agreement is subject only to the
3 execution of all Parties. However, the Settlement Agreement may be executed in one or more
4 counterparts. All executed counterparts and each of them, including facsimile and scanned
5 copies of the signature page, will be deemed to be one and the same instrument.

6 81. Acknowledgement that the Settlement is Fair and Reasonable. The Parties
7 believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action
8 and have arrived at this Settlement after arm's-length negotiations and in the context of
9 adversarial litigation, taking into account all relevant factors, present and potential. The Parties
10 further acknowledge that they are each represented by competent counsel and that they have had
11 an opportunity to consult with their counsel regarding the fairness and reasonableness of this
12 Settlement.

13 82. Invalidity of Any Provision. Before declaring any provision of this Settlement
14 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest
15 extent possible consistent with applicable precedents so as to define all provisions of this
16 Settlement Agreement valid and enforceable.

17 83. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate
18 to class certification for purposes of this Settlement only; except, however, that Named
19 Plaintiffs or Class Counsel may appeal any reduction to the Class Counsel Award below the
20 amount they request from the Court, and either party may appeal any court order that materially
21 alters the Settlement Agreement's terms.

22 84. Class Action Certification for Settlement Purposes Only; Admissibility of
23 Agreement. The Parties agree to stipulate to class action certification for purposes of the
24 Settlement only. If, for any reason, the Settlement is not approved, the stipulation to
25 certification will be void. The Parties further agree that certification for purposes of the
26 Settlement is not an admission that class action certification is proper under the standards
27 applied to contested certification motions and that this Settlement Agreement will not be
28 admissible in this or any other proceeding as evidence that either (i) a class action should be

1 certified or (ii) Defendant is liable to Plaintiffs or any Class Member, other than according to the
2 Settlement's terms.

3 85. Non-Admission of Liability. The Parties enter into this Settlement to resolve the
4 dispute that has arisen between them and to avoid the burden, expense and risk of continued
5 litigation. In entering into this Settlement, Defendant does not admit, and specifically denies,
6 that it violated any federal, state, or local law; violated any regulations or guidelines
7 promulgated pursuant to any statute or any other applicable laws, regulations or legal
8 requirements; breached any contract; violated or breached any duty; engaged in any
9 misrepresentation or deception; or engaged in any other unlawful conduct with respect to its
10 employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of
11 the negotiations connected with it, will be construed as an admission or concession by
12 Defendant of any such violations or failures to comply with any applicable law. Except as
13 necessary in a proceeding to enforce the terms of this Settlement, this Settlement Agreement and
14 its terms and provisions will not be offered or received as evidence in any action or proceeding
15 to establish any liability or admission on the part of Defendant or to establish the existence of
16 any condition constituting a violation of, or a non-compliance with, federal, state, local or other
17 applicable law.

18 86. Publicity. The Parties and their counsel agree that they will not issue any press releases,
19 initiate any contact with the press, respond to any press inquiry or have any communications with the
20 press about the facts, amount or terms of the settlement, including any social media or websites.
21 Andrews may disclose the terms of this settlement as required under its contractual and legal obligations.

22 87. Waiver. Except as provided herein, the Parties agree to waive any and all rights
23 to appeal, this waiver being contingent upon the Court entering the Final Judgment. This waiver
24 includes waiver of all rights to any post-judgment proceeding and appellate proceeding,
25 including, but not limited to, motions for relief from judgment and motions to amend or alter the
26 judgment. Notwithstanding the above, Class Counsel may appeal a reduction to the Class
27 Counsel Award.

28 88. Enforcement Actions. In the event that one or more of the Parties institutes any

1 legal action or other proceeding against any other Party or Parties to enforce the provisions of
2 this Settlement or to declare rights and/or obligations under this Settlement, the successful Party
3 or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys'
4 fees and costs, including expert witness fees incurred in connection with any enforcement
5 actions.

6 89. Mutual Preparation. The Parties have had a full opportunity to negotiate the
7 terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement
8 will not be construed more strictly against one party than another merely by virtue of the fact
9 that it may have been prepared by counsel for one of the Parties, it being recognized that,
10 because of the arm's-length negotiations between the Parties, all Parties have contributed to the
11 preparation of this Settlement Agreement.

12 90. Representation By Counsel. The Parties acknowledge that they have been
13 represented by counsel throughout all negotiations that preceded the execution of this
14 Settlement Agreement, and that this Settlement Agreement has been executed with the consent
15 and advice of counsel. Further, Plaintiffs and Class Counsel warrant and represent that there are
16 no liens on the Settlement Agreement.

17 91. All Terms Subject to Final Court Approval. All amounts and procedures
18 described in this Settlement Agreement herein will be subject to final Court approval.

19 92. Cooperation and Execution of Necessary Documents. All Parties will cooperate
20 in good faith and execute all documents to the extent reasonably necessary to effectuate the
21 terms of this Settlement Agreement.

22 93. Binding Agreement. The Parties warrant that they understand and have full
23 authority to enter into this Settlement Agreement, and further intend that this Settlement
24 Agreement will be fully enforceable and binding on all parties, and agree that it will be
25 admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any
26 mediation confidentiality provisions that otherwise might apply under federal or state law.

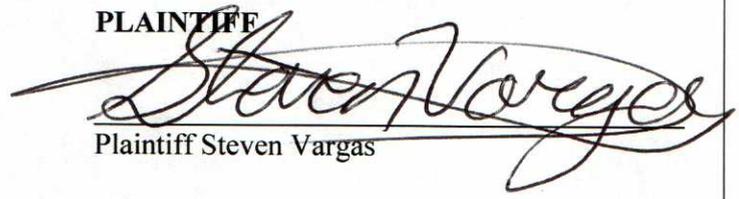
27 94. Destruction of Confidential Documents. Plaintiffs agree to return or destroy
28 all confidential documents, defined as those produced by Defendant in this litigation subject to

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

mediation privilege within 30 days after funding of the Maximum Settlement Amount.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF


Plaintiff Steven Vargas

Dated: 02-20-2018

PLAINTIFF

Plaintiff Miguel Dominguez

Dated: _____

**DEFENDANT ANDREWS
INTERNATIONAL, INC.**

Name:

Dated: _____

1 mediation privilege within 30 days after funding of the Maximum Settlement Amount.

2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: _____

Plaintiff Steven Vargas

PLAINTIFF

Dated: 2/14/2018 _____

DocuSigned by:
MIGUEL DOMINGUEZ

Plaintiff Miguel Dominguez

**DEFENDANT ANDREWS
INTERNATIONAL, INC.**

Dated: _____

Name:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

mediation privilege within 30 days after funding of the Maximum Settlement Amount.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: _____

Plaintiff Steven Vargas

PLAINTIFF

Dated: _____

Plaintiff Miguel Dominguez

**DEFENDANT ANDREWS
INTERNATIONAL, INC.**

Dated: 2/15/13


Name: J. J. Paul

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

APPROVED AS TO FORM

CAPSTONE LAW APC

February 16, 2018

Dated: _____

By:  _____
Raul Perez
Attorneys for Plaintiff Miguel Dominguez

KABATECK BROWN KELLNER LLP

Dated: _____

By: _____
Cheryl A. Kenner
Attorneys for Plaintiff Steven Vargas

**GORDON REES SCULLY MANSUKHANI,
LLP**

Dated: _____

By: _____
Lisa Garner
Attorneys for Defendant Andrews International, Inc.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: _____

By: _____

Raul Perez
Attorneys for Plaintiff Miguel Dominguez

KABATECK BROWN KELLNER LLP

Dated: February 16, 2018

By: Cheryl Kenner

Cheryl A. Kenner
Attorneys for Plaintiff Steven Vargas

GORDON REES SCULLY MANSUKHANI,
LLP

Dated: Feb 20, 2018

By: [Signature]

Lisa Garner
Attorneys for Defendant Andrews International, Inc.

Exhibit A

NOTICE OF CLASS ACTION SETTLEMENT

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

STEVEN VARGAS, an individual; on behalf of himself and all others similarly situated,

Plaintiff,

v.

ANDREWS INTERNATIONAL, INC., a Delaware Corporation; and, DOES 1 through 50, inclusive,
Defendant.

Case No.: BC601767

Hon. Carolyn B. Kuhl

**IMPORTANT LEGAL NOTICE –
THIS LAWSUIT SETTLEMENT
MAY AFFECT YOUR RIGHTS**

ALL PERSONS WHO WORKED FOR DEFENDANT ANDREWS INTERNATIONAL, INC. (“ANDREWS INTERNATIONAL” OR “DEFENDANT”) IN CALIFORNIA AS A NON-EXEMPT SECURITY GUARD FROM JULY 10, 2013 TO [PRELIMINARY APPROVAL].

PLEASE READ THIS NOTICE CAREFULLY. A COURT AUTHORIZED THIS NOTICE. THIS IS NOT A SOLICITATION FROM A LAWYER.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	You will receive a payment under the Settlement and release all claims covered by this Settlement.
EXCLUDE YOURSELF OR “OPT OUT” OF THE OTC AND REST PERIOD SUBCLASSES	You will retain all rights that you may have against Andrews International, Inc., if any, for the period from July 1, 2013 to [preliminary approval].
OBJECT	The objection must be mailed to the Settlement Administrator.

Your rights and options, and the deadlines to exercise them, are explained in this notice. To ask to be excluded, you must act before

BASIC INFORMATION

1. Why did I get this notice?

You are receiving this notice because Andrews International's records show that you currently work, or previously worked, for Andrews International in California at some time between July 10, 2013 and [Preliminary Approval] (the "Class Period"). This means you have a right to know about a proposed Settlement of the lawsuit that may affect you. This notice explains the lawsuit, the Settlement and your legal rights under the proposed Settlement.

The lawsuit is known as *Steven Vargas v. Andrews International, Inc.*, Case No. BC601767, referred to herein as the "Action."

2. What Is the Action About?

The Action alleges that Andrews International, Inc. failed to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with meal and rest breaks; (3) timely pay all wages owed to employees during each pay period and upon termination of their employment; and (4) provide employees with accurate, itemized wage statements.

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On March 30, 2017 and August 29, 2017, the parties participated in mediation with Jeffrey Krivis, an experienced and well-respected class action mediator. Although the parties did not settle at mediation, with Jeffrey Krivis's continuing guidance, the parties were able to negotiate a complete settlement of Plaintiffs' claims.

Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the Action, disputes the wages, damages and penalties claimed by the Plaintiffs, and further contends that, for any purpose other than settlement, Plaintiffs' claims are not appropriate for class or representative action treatment. Defendant contends, among other things, that, at all times, it has complied with the California Labor Code and the Industrial Wage Commission Orders.

THE COURT HAS NOT RULED ON THE MERITS OF PLAINTIFFS' CLAIMS, ANDREWS INTERNATIONAL'S DEFENSES, OR THE SUBSTANTIVE CONTENTIONS OF THE PARTIES. NO INFERENCES REGARDING THE MERITS OF THE LITIGATION SHOULD BE DRAWN FROM THE SENDING OF THIS NOTICE. THIS NOTICE IS NOT MEANT TO IMPLY THAT THERE HAS BEEN ANY VIOLATION OF LAW OR WRONGDOING BY ANY PARTY OR THAT A RECOVERY AFTER TRIAL COULD BE HAD IF THE LITIGATION IS NOT SETTLED.

3. Why is there a Settlement?

The Court did not decide in favor of Plaintiffs or Andrews International. Plaintiffs think they would have prevailed on their claims at trial. Andrews International does not think Plaintiffs would have won anything from a trial because it has asserted legal and factual defenses to the claims. But there was no trial. Instead, both sides agreed to a Settlement. That way, they avoid the costs, risks and uncertainty of a trial, and the people affected will get compensation. Plaintiffs and their lawyers believe the Settlement is fair, reasonable and adequate and in the best interests for the Settlement Class Members.

WHO IS IN THE SETTLEMENT?

4. How do I know if I am part of the Settlement?

All persons who worked for Defendant Andrews International, Inc. in California as a non-exempt security guard from July 10, 2013 to [Preliminary Approval].

THE SETTLEMENT BENEFITS – WHAT YOU GET

5. What does the Settlement provide?

Andrews International has agreed to pay \$4.7 Million (\$4,700,000.00) to settle the Action, referred to as the “Maximum Settlement Fund.” The amount to be distributed to the Settlement Class, or the “Net Settlement Fund” will be determined by deducting the Class Counsel Award, the Class Representative Service Awards, the California Labor & Workforce Development Agency’s portion of the PAGA Payment, and the Settlement Administration Costs from the Maximum Settlement Amount.

6. What will I get?

Your payment depends on the number of shifts you worked for Andrews International during the Class Period (“Compensable Work-Shifts”). The Settlement Administrator will calculate the total Compensable Work-Shifts for all Settlement Class Members by adding the number of work-shifts worked by each Settlement Class Member during the Class Period. The respective Compensable Work-Shifts for each Settlement Class Member will be divided by the total Compensable Work-Shifts for all Settlement Class Members, resulting in the Payment Ratio for each Settlement Class Member. Each Settlement Class Member’s Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member’s estimated Individual Settlement Payment.

Based on Andrews International’s records, you worked ___ Compensable Work-Shifts during the Class Period. Thus, you will receive about \$ _____ from this Settlement if it is approved by the Court.

If you disagree with Andrews International’s records regarding your Compensable Work-Shifts you must provide documentation to support a claim to additional work-shifts. If there is a dispute, the Settlement Administrator will consult with the parties to determine whether an

adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, your Individual Settlement Payment. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Payment shall be binding on you and the parties.

Each Individual Settlement Payment will be reduced by any legally mandated employee tax withholdings (*e.g.*, employee payroll taxes, etc.). For tax reporting purposes, your Individual Settlement Payment will be allocated and treated as follows: one-quarter (1/4) as wages, subject to required state and federal withholdings and reported on a form W-2; three-quarters (3/4) as penalties and interest reported on a form 1099-MISC. The parties make no representations as to the tax treatment or legal effect of your Individual Settlement Payment. You will be responsible for the payment of any employee taxes and penalties assessed on your Individual Settlement Payment.

7. How and when will I get a payment?

You do not need to do anything to receive your Individual Settlement Payment. Just watch your mail for a check and cash it when you get it. You will have 180 days from issuance of the check to cash it.

If you change your address, or if this notice was not mailed to your correct address, you should immediately provide your current address to the Settlement Administrator.

8. Do the Representative Plaintiffs receive any additional payments?

Subject to Court approval, Plaintiffs will be paid a Class Representative Service Award of \$10,000 each for their services as Class Representatives, as well as for the time, effort and litigation risks incurred by each of the Plaintiffs in bringing and prosecuting the Actions.

YOUR RELEASE OF CLAIMS

9. What am I giving up to get a payment?

You are releasing the Released Claims for the Class Period. The Released Claims are described in Section 10 below. This release of claims applies to Andrews International and its past, present and/or future, direct and/or indirect, parents, predecessors, successors, all affiliates, subsidiaries, officers, directors, agents, employees and stockholders ("Released Parties").

10. What claims am I releasing?

The claims to be released under the settlement ("Released Claims") are all claims, rights, demands, liabilities, and causes of action, that were plead or reasonably could have been plead under the Labor Code, state or local wage and hour laws, based on the facts alleged in the First Amended Complaint, including claims for: any meal break violations, including non-compliant on-duty meal breaks; overtime wages; minimum wage violations; rest break violations; failing to maintain accurate time records; receipt of inaccurate itemized wage statements; failure to pay wages within 72 hours of their termination; waiting

time penalties; all claims arising under Cal. Labor Code secs. 201, 202, 203, 204, 226(a), 226.3, 226.7, 510, 512, 1194, 1194.2, 1197, and IWC Wage Orders Nos. 4-2001 secs. 3, 11, 12 and civil and statutory penalties, interest and liquidated damages; all claims arising under the California Labor Code Private Attorneys General Act of 2004 (Labor Code sections 2698, et seq., “PAGA”). Also included are all related claims for conversion and violation of Cal. Business & Professions Code Section 17200.

YOUR RIGHTS AND OPTIONS

11. What happens if I do nothing at all?

If you do nothing and if the Court approves the Settlement, you will automatically be mailed a check for your share of the Settlement proceeds. You will give up your right to sue the Released Parties for the Released Claims during the Class Period. If the Court does not approve the Settlement, the Action will continue.

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

If you wish to remain a Settlement Class Member, but you object to the proposed Settlement or any of its terms and wish the Court to consider your objection at the Final Settlement Hearing, you must put your objection in writing. You must sign your written objection and your written objection must state: (1) your full name; (2) all legal and/or factual bases supporting your objection; (3) your dates of employment; (4) the last four digits of your Social Security number or your Employee ID number; and (5) whether you intend to appear at the Final Approval/Settlement Fairness Hearing.

To be valid and effective, your written notice must be postmarked on or before _____ . DO NOT CONTACT THE COURT. If you fail to object to the proposed Settlement as described above, you will lose the right to object to it.

THE LAWYERS REPRESENTING YOU

13. Do I have a lawyer in these Actions?

The Court decided that the law firms of Kabateck Brown Kellner LLP and Capstone Law APC, are qualified to represent you and all Class Members in the Action (“Class Counsel.”).

14. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel are already working on your behalf. But if you want your own lawyer, you will have to pay that lawyer. For example, you can ask him or her to appear in Court for you if you want someone other than Class Counsel to speak for you.

15. How will the lawyers and Settlement Administrator be paid?

Class Counsel will apply to the Court for an award of attorneys' fees not to exceed one-third of the Maximum Settlement Fund (\$1,566,667), plus up to \$35,000 of costs and expenses ("Class Counsel Award").

The parties have agreed that CPT Group will serve as the Settlement Administrator of the Settlement. The fees and costs of the Settlement Administrator will be deducted from the Maximum Settlement Amount. The Settlement Administrator's fees and costs are estimated to be \$30,000.

Additionally, a \$37,500 payment will be made to the California Labor and Workforce Development Agency in connection and accordance with the Labor Code Private Attorneys General Act of 2004.

THE FINAL APPROVAL FAIRNESS HEARING

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

The Court will conduct a final fairness hearing regarding the proposed Settlement (the "Final Settlement Hearing") on _____, 2018, at ____ a.m./p.m., in Department 309, of the Los Angeles County Superior Court (Civil Complex Division) located at 600 S. Commonwealth, Los Angeles, California 90005 before the Honorable Carolyn B. Kuhl. At the Final Settlement Hearing, the Court will hear all properly filed objections, as well as arguments for and against the proposed Settlement. This date may change without further notice to you.

At this hearing, the Court will consider whether the Settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. After the hearing, the Court will decide whether to approve the Settlement.

17. Do I have to come to the hearing?

No. You have a right to attend this hearing, but you are not required to do so.

GETTING MORE INFORMATION

18. Are more details about the Settlement available? How do I update my address?

If you wish to learn more about the Action and the Settlement, including the precise terms and conditions of the Settlement as set forth in the detailed Stipulation of Class Action Settlement and Release of Claims, you may review the pleadings, the orders entered by the Court, and other papers filed in this litigation, at the Los Angeles County Superior Court (Civil Complex Division), 600 S. Commonwealth, Los Angeles, California 90005, during its regular business hours. You also may review the Joint Stipulation and other documents on the Settlement Administrator's website at: <https://www.cptgroup.com/XXXSettlement/>. And you may call the Settlement Administrator toll-free at 1 (877) 705-5021. If you need to update your address, please contact the Settlement Administrator.

Class Counsel may be contacted as follows:

Raul Perez Capstone Law APC 1875 Century Park E., Suite 1000 Los Angeles, CA 90067 Phone: 888-512-3229	Brian S. Kabateck Cheryl A. Kenner Kabateck Brown Kellner LLP 644 South Figueroa Street Los Angeles, CA 90017 Phone: 213-417-9226
---	---

DO NOT CALL OR WRITE TO THE COURT.
They will not be able to give you information about this case.