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This Class Action Settlement Agreement ("Settlement Agreement"), dated as of January 31. 2017 is made by and between Plaintiff JESUS HERNANDEZ CUEVAS ("Plaintiff"), on behalf of himself and others similarly situated, and Defendant GALE PACIFIC USA, INC. ("GPUSA"), a Florida Corporation, with regard to the civil action filed against GPUSA on June 30, 2015 in the Superior Court of California for the County of San Bernardino, captioned JESUS HERNANDEZ PLAINTIFF, individually, and on behalf of all others similarly situated, vs. GALE PACIFIC USA, INC., a Florida corporation, et al., Case No. CIVDS1509246. Plaintiff and GPUSA may be collectively referred to herein as "parties" or individually as "party."

# **BACKGROUND AND RECITALS** I.

- On June 30, 2015, Plaintiff filed a class action complaint in the Superior Court of California for the County of San Bernardino, in Case No. CIVDS1509246, and on December 3, 2015, filed the operative first amended class action complaint ("FAC") against GPUSA, INSPERITY PEO SERVICES, L.P. ("Insperity"), and OASIS OUTSOURCING, INC. ("Oasis"). The FAC alleged the following seven causes of action, respectively: (1) "Failure To Provide Meal Periods"; (2) "Failure to Pay Minimum Wage And Straight Time Wages"; (3) "Failure To Pay Overtime Compensation": (4) "Failure To Provide Accurate Itemized Wage Statements And Maintain Required Records"; (5) "Failure to Timely Pay All Wages Upon Termination Of Employment"; (6) "Unfair Business Practices"; and (7) "Representative Action Under the Private Attorneys General Act of 2004 for Civil Penalties, Labor Code §§ 2698-2699.5 ['PAGA']" (collectively, the "Action").
- 2. On February 23, 2016, Plaintiff filed a request for dismissal of the Action against Insperity without prejudice and, on February 25, 2016, the Court ordered Insperity dismissed from the Action without prejudice. On April 1, 2016, Plaintiff filed a request for dismissal of the Action against Oasis without prejudice and, on April 7, 2016, the Court ordered Oasis dismissed from the Action without prejudice.
- 3. Plaintiff is a former GPUSA employee who worked in the Warehouse LTL department for GPUSA during a portion of the relevant class period; the parties agree that Plaintiff may be appointed by the Court as class representative ("Class Representative").

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- Plaintiff's counsel are Farzad Rastegar and Thomas S. Campbell of the Rastegar 4. Law Group, APC, whom the parties agree may be appointed by the Court as class counsel ("Class Counsel").
- 5. Prior to settlement, the parties conducted pre-mediation discovery which involved the production of a substantial amount of GPUSA electronic data and more than one thousand GPUSA business records relating to the claims in this litigation. Class Counsel and GPUSA's counsel expended a significant amount of time and resources reviewing electronic data and business records relating to worker time data, payroll summaries, GPUSA's meal and rest period policies and signed acknowledgments, as well as other GPUSA policies and procedures relevant to the claims in this Action.
- 6. On January 31, 2017, the parties participated in a full-day mediation with Lynn Frank of Frank and Feder. After considering all of the various factors at issue, the parties agreed to settle the entire Action and entered into a Memorandum of Understanding (MOU) setting forth the material economic and non-economic terms of the settlement, with the understanding that a longform settlement agreement would be executed by the parties. This is the long-form settlement agreement contemplated by the MOU, and it supersedes the MOU upon the approval of the Court of the settlement.
- 7. Plaintiff and Class Counsel concluded, after taking into account the sharply disputed factual and legal issues involved in this Action, the risks attendant to further prosecution and the substantial benefits to be received pursuant to the compromise and settlement of the Action as set forth in this Agreement, that settlement on the terms set forth herein is in the best interests of Plaintiff and the putative Class, and is fair and reasonable.
- Similarly, GPUSA concluded, after taking into account the sharply disputed factual 8. and legal issues involved in the Action, the expense and burden of protracted litigation and its desire to put the controversy to rest, that settlement on the terms set forth in this Agreement is in GPUSA's best interest, and is fair and reasonable.

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- 9. Each of the parties understands and acknowledges that each party is waiving legal rights or claims by signing the Agreement, and that each party voluntarily enters into the Agreement with a complete understanding of its terms and with the intent to be bound thereby.
- This settlement contemplates (i) entry by the Court of an Order preliminarily 10. approving the settlement and certifying the proposed settlement class (and sub-classes), as hereinafter described, solely for purposes of settlement, and (ii) entry by the Court of an Order granting final approval of the settlement as of the date of the final approval order.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

# CONSIDERATION FOR THE SETTLEMENT AND RELEASE OF CLAIMS II.

- Subject to Court approval pursuant to Section 382 of the California Code of Civil 11. Procedure and Rule 3.769, et seq. of the California Rules of Court, Plaintiff and GPUSA have mutually agreed to settle the Action upon the terms and conditions, release of claims with prejudice. and other consideration set forth in this Agreement. A summary of the terms of the Settlement is as follows:
- The parties stipulate to certification of a provisional settlement class ("Settlement Class"), for purposes of this settlement only. The putative class members also be referred to herein collectively as "Members of the Settlement Class" or individually as "Member of the Settlement Class. The Settlement Class shall consist of three Subclasses:
  - i. Subclass # 1 - The "Regular GPUSA Employee Subclass": The Regular GPUSA Employee Subclass consists of thirty-one (31) persons, including Plaintiff, who were employed by GPUSA at GPUSA's Rancho Cucamonga, California location at various times during the period June 30, 2011 through December 31, 2016. These employees may also be referred to herein collectively as "Members of the Regular GPUSA Employee Subclass" or individually as a "Member of the Regular GPUSA Employee Subclass." The approximate number of collective weeks worked by Members of the Regular

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GPUSA Employee Subclass is Three Thousand Seven Hundred Nineteen (3,719) weeks.

- Subclass # 2 The "PAGA Subclass": The PAGA Subclass shall consist of ii. twenty (20) persons, including Plaintiff, employed by GPUSA at GPUSA's Rancho Cucamonga, California location at various times during the period June 30, 2014 through December 31, 2016. These employees may also be referred to herein collectively as "Members of the PAGA Subclass" or individually as a "Member of the PAGA Subclass."
- iii. Subclass # 3 - The "Temporary Worker Subclass": The Temporary Worker Subclass shall consist of approximately two hundred fifty (250) persons who were provided by temporary staffing agencies to perform services at GPUSA's Rancho Cucamonga, California worksite on a casual, temporary basis, at various times during the period June 30, 2011 through December 31, 2016. These temporary workers may also be referred to herein collectively as "Members of the Temporary Worker Subclass" or individually as a "Member of the Temporary Worker Subclass." The approximate number of collective weeks worked by Members of the Temporary Worker Subclass is approximately Four Thousand Four Hundred Thirty Six (4.436) weeks.
- B. Twelve (12) of the thirty-one (31) Members of the Regular GPUSA Employee Subclass, including Plaintiff, were at various times provided by temporary staffing agencies to perform services at GPUSA's Rancho Cucamonga, California worksite before becoming regularly employed by GPUSA. The approximate number of collective weeks worked by these twelve (12) employees are factored solely into the approximate number of collective weeks worked by Members of the Regular GPUSA Employee Subclass, as set forth above in Section 11.A.i.
- C. In sum, the approximate number of collective weeks worked by Members of the Settlement Class is Eight Thousand One Hundred Fifty-Five (8,155) weeks.

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Gross Settlement Value: On behalf of GPUSA and the GPUSA Released Parties, D. GPUSA will pay a maximum of Two Hundred Fifty Thousand Dollars (\$250,000.00), which is referred to herein as the Gross Settlement Value ("GSV"), inclusive of, and in full and final settlement of, Plaintiff's individual and representative claims as well as all Settlement Class claims, PAGA claims, attorneys' fees, costs (including expert witness fees and related costs), expenses and interest, and the Employer Portion of Payroll Taxes. The parties agree that the following sums may be deducted from the GSV, to attain a Net Settlement Amount ("NSA"):

- i. PAGA Penalties: The parties agree that the sum of Five Thousand Dollars ("\$5,000.00") of the GSV shall be allocated as and for settlement of the PAGA Subclass, which shall be distributed as follows: 75% of the PAGA penalties, i.e., Three Thousand Seven Hundred Fifty Dollars (\$3,750.00) shall be paid to the LWDA, and 25% of the PAGA penalties, i.e., One Thousand Two Hundred Fifty Dollars (\$1,250.00) shall be distributed equally to the Members of the PAGA Subclass, i.e., Forty Dollars and Thirty-Two Cents (\$40.32) to each Member of the PAGA Subclass. The PAGA penalties sum shall be deducted from the GSV.
- ii. Enhancement Payment: Class Representative Plaintiff shall be paid the total sum of Five Thousand Dollars (\$5,000,00), without deductions, as an Enhancement Payment for serving diligently and responsibly as the Class Representative in recognition of the additional time and resources expended by Plaintiff. This sum shall be deducted from the GSV.
- iii. Attorneys' Fees: Subject to Court approval, GPUSA has agreed not to object to a request by Class Counsel to be designated as Class Counsel and to be paid any accounts for a reasonable lodestar which the Court may grant, but in no event shall the total payment of attorneys' fees exceed the sum of 35% of the GSV, i.e., Eighty-Seven Thousand Five Hundred Dollars (\$87,500.00), which sum shall be deducted from the GSV. In the event that Class Counsel should be awarded less than the amount it shall request to be approved, the

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delta between what is awarded and what GPUSA had agreed to pay shall be equally distributed to the Members of the Regular GPUSA Employee Settlement Subclass and the Temporary Worker Subclass.

- iv. Attorneys' Costs: Subject to Court approval, GPUSA has agreed not to object to a request by Class Counsel to be paid any accounts for reasonable costs, but in no event shall the total payment of attorneys' costs exceed the sum of Eleven Thousand Dollars (\$11,000,00), which sum shall be deducted from the GSV. In the event that Class Counsel should be awarded less than the amount it shall request to be approved, the delta between what is awarded and what GPUSA had agreed to pay shall be equally distributed to the Members of the Regular GPUSA Employee Settlement Subclass and the Temporary Worker Subclass.
- v. Class Administrative Costs: The class administrative costs (the "Administrative Costs") shall be deducted from the GSV, up to a maximum of Ten Thousand Dollars (\$10,000.00). In the event that the final Administrative Costs are less than Eleven Thousand Dollars (\$10,000.00), the delta between what the actual cost and the agreed-upon charge shall be equally distributed to the Members of the Regular GPUSA Employee Settlement Subclass and the Temporary Worker Subclass.
- Net Settlement Amount: The NSA is estimated to be One Hundred Thirty One E. Thousand Five Hundred Dollars (\$131,500.00), i.e., GSV minus PAGA Penalties, Enhancement Payment, Attorneys' Fees, Attorneys' Costs, and Administrative Costs. The parties agree that the NSA shall be allocated and paid to Members of the Regular GPUSA Employee Subclass and Members of the Temporary Worker Subclass, as follows:

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# i. The Regular GPUSA Employee Subclass

- a. Wages: As an estimate only, and to be confirmed by the Third Party Administrator, the approximate sum of Fourteen Thousand Nine Hundred Ninety-One Dollars (\$14,991.00) shall be allocated and paid, less payroll taxes, from the NSA as and for wages to the Regular GPUSA Employee Subclass. Each Member of the Regular GPUSA Employee Subclass is estimated to receive wages in the approximate amount of Four Hundred Eighty-Three Dollars and Fifty-Eight Cents (\$483,58). The parties acknowledge and agree, however, that these sums are estimates, and that they will be reduced by payment of the employer's and employee's respective share of payroll taxes. Thus. Members of the Regular GPUSA Employee Subclass will be responsible for paying their portion, if any, of taxes attributed to wages, as well as any applicable tax on the portion attributed to interest/penalties/liquidated damages, if any. The Third Party Administrator shall be tasked with the responsibility for deducting and remitting the employee's portion of the payroll taxes. Employer payroll taxes shall be deducted from the wage portion of the NSA, and remitted through the Third Party Administrator.
- b. <u>Interest</u>: The parties agree that the estimated sum of Twenty-Two Thousand Four Hundred Eighty-Six Dollars and Fifty Cents (\$22,486.50) of the NSA shall be allocated and paid as and for interest to the Regular GPUSA Employee Subclass. Each Member of the Regular GPUSA Employee Subclass shall be paid Seven Hundred Twenty-Five Dollars and Thirty-Seven Cents (\$725.37), without deductions, as and for interest.

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Non-PAGA Penalties: The parties agree that the estimated sum of Twenty-Two Thousand Four Hundred Eighty-Six Dollars and Fifty Cents (\$22,486.50) of the NSA shall be allocated as and for statutory penalties and liquidated damages for violations that are not otherwise covered under PAGA ("Non-PAGA Penalties") to the Regular GPUSA Employee Subclass. Each Member of the Regular GPUSA Employee Subclass shall be paid Seven Hundred Twenty-Five Dollars and Thirty-Seven Cents (\$725.37), without deductions, as and for Non-PAGA Penalties.

# ii. Temporary Worker Subclass

- a. Non-PAGA Penalties: The parties agree that the sum of Seventy Seventy-One Thousand Five Hundred Thirty-Six Dollars (\$71,536.00) shall be allocated and paid from the NSA as and for Non-PAGA Penalties to the Temporary Worker Subclass. Each Member of the Temporary Worker Subclass shall be paid Two Hundred Eighty-Six Dollars and Fourteen Cents (\$286.14), without deductions, as and for non-PAGA penalties.
- 12. The parties recognize that the average number of weeks worked by each Member of the Regular GPUSA Employee Subclass, approximately One Hundred Twenty (120) weeks, is substantially higher than the average number of weeks worked by each Member of the Temporary Worker Subclass, approximately Eighteen (18) weeks, which is consistent with the casual, temporary nature of the Members of the Temporary Worker Subclass. The parties also recognize that the collective weeks worked by the Members of the Regular GPUSA Employee Subclass make up 45.6% of the approximate number of collective weeks worked by all Members of the Settlement Class, Eight Thousand One Hundred Fifty-Five (8,155) weeks, and that the collective weeks worked by the Members of the Temporary Worker Subclass make up the remaining 54.5%.
- 13. The above distributions to each of the Members of the Regular GPUSA Employee Subclass reflect an equal distribution of 45.6% of the NSA, i.e., 45.6% of the NSA is Fifty-Nine

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Thousand Nine Hundred Sixty-Four Dollars (\$59,964.00), subject to the allocation of 25% wages (less applicable payroll withholdings), 37.5% interest, and 37.5% non-PAGA penalties of the NSA. The gross recovery for each of the Thirty-One (31) Members of the Regular GPUSA Employee Subclass is approximately One Thousand Nine Hundred Thirty-Four Dollars and Thirty-Two Cents (\$1,934.32), less applicable payroll deductions.

- 14. The net recovery for each of the Twenty (20) members of the PAGA Subclass is approximately Forty Dollars and Thirty-Two Cents (\$40.32), without deductions.
- The above distributions to each of the Members of the Temporary Worker Subclass 15. reflect an equal distribution of 54.4% of the NSA (i.e., 54.4% of the NSA is Seventy-One Thousand Five Hundred Thirty-Six Dollars (\$71,536.00)). The net recovery for each of the approximately Two Hundred Fifty Members of the Temporary Worker Subclass is approximately Two Hundred Eighty-Six Dollars and Fourteen Cents (\$286.14), without deductions.
- 16. The parties agree that the allocations above use a fair and reasonable methodology given the nature of each of the three Subclasses, given the sharply disputed factual and legal issues involved in this Action, and given the risks attending further prosecution and the substantial benefits to be received pursuant to the compromise and settlement of the Action as set forth in this Agreement.
- 17. Other than payment of the GSV, under the terms and conditions set forth herein. Plaintiff and the putative members of each of the settlement subclasses identified herein acknowledge and agree that no other payment(s), including without limitation for wages, piece rates, overtime, bonus, vacation pay, premium pay for the alleged missed meal or rest breaks, travel, expenses, failure to provide meal or rest periods, failure to provide accurate itemized wage statements and to maintain records, failure to timely pay wages upon termination, restitution. PAGA penalties, and civil or statutory penalties, interest, or benefits, are or shall be due and owing from GPUSA or any of the GPUSA Released Parties, individually or as members of an identified settlement subclass, or to Class Counsel, for the relevant period of time covered by the FAC, or for any other period.

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Pursuant to the IRS Circular 230 Disclaimer, the parties acknowledge and agree that 18. (1) no provision of this Agreement, and no written communication or disclosure between or among the parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (2) the acknowledging part(ies) (a) has relied exclusively upon his, her or its own, independent legal and tax advisers for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party; and (3) no attorney or adviser to any other party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

### III. **RELEASE OF CLAIMS**

The term "GPUSA Released Parties" means and shall include the following: GPUSA 19. (as defined herein), Insperity PEO Services, L.P., Oasis Outsourcing, Inc., DBS Inc., Kamran Staffing, Inc., Caliber Group Staffing, Inc., Apex Personnel, Inc., Contemporary HR, Inc.; each of their respective current or former owners, officers, directors, shareholders, investors, partners, members, employees, servants, managing agents, partnerships, trustees, predecessors, successors, assigns, affiliates, parent corporations, and/or subsidiaries (whether or not wholly owned); any other entity or company operated, affiliated with, controlled by, or under common control with any one of the foregoing: each of their respective trustees, directors, officers, attorneys, insurers or reinsurers. accountants, lenders, investors, agents, servants, representatives, employees and former employees (in their respective capacities as such, in their individual and personal capacities, and in any and all other capacities); any person who would otherwise be deemed to be a "Doe defendant" to whom the

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allegations of the FAC are or were directed; and all other related entities of any type, scope or existence, of each of the foregoing.

- 20. The term "Class Released Claims" means any and all liabilities, demands, claims, causes of action, complaints and obligations arising during June 30, 2011 through the Settlement Effective Date (as defined herein) that were alleged or which could have been alleged in the FAC, and each and every material allegation alleged therein, including without limitation the following: (1) "Failure To Provide Meal Periods"; (2) "Failure to Pay Minimum Wage And Straight Time Wages"; (3) "Failure To Pay Overtime Compensation"; (4) "Failure To Provide Accurate Itemized Wage Statements And Maintain Required Records"; (5) "Failure to Timely Pay All Wages Upon Termination Of Employment"; (6) "Unfair Business Practices"; and (7) "Representative Action Under the Private Attorneys General Act of 2004 for Civil Penalties, Labor Code §§ 2698-2699.5" against GPUSA, the GPUSA Released Parties, and each of them.
- 21. The term "Plaintiff Released Claims" means any and all Class Released Claims and claims under the California Fair Employment and Housing Act ("FEHA"), California Family Rights Act ("CFRA") (Cal. Gov't Code section 12940 et seq.), Title VII of the 1964 Civil Rights Act, as amended ("Title VII") (42 U.S.C. section 2000e et seq.), the Consolidated Omnibus Benefits Reconciliation Act of 1985 ("COBRA"), the Americans with Disabilities Act ("ADA") (42 U.S.C. section 12101 et seq.), as amended, the Vocational Rehabilitation Act of 1973 (29 U.S.C. section 701, et seq.), the California Labor Code; claims for disputed wages and penalties under federal or state law; claims for compensation, severance, employee benefits and vacation pay (excluding workers' compensation or unemployment insurance claims); attorneys' fees, costs, expenses and expert witness fees and expenses; tort damages or personal injury damages; breach of implied or express contract; failure to accommodate; failure to engage in an interactive process; wrongful termination in violation of public policy; breach of fiduciary duty; declaratory relief; injunctive relief; public policy breach; intentional or negligent infliction of emotional distress; breach of employment contract (whether express, implied in law or fact, oral or written); breach of implied covenant of good faith and fair dealing; interference with contract; intentional or negligent interference with prospective economic advantage; intentional or negligent misrepresentation,

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promissory fraud, or fraud; conversion; defamation; libel or slander; discrimination, retaliation. harassment or hostile work environment on the basis of any statutorily protected class including but not limited to disability, engagement in protected activity; failure to prevent discrimination. retaliation, harassment or hostile work environment; negligent hiring; constructive discharge: disparagement of any kind or nature; invasion of privacy; civil assault; malicious prosecution; abuse of process; declaratory or injunctive relief, whether known or unknown, suspected or unsuspected, fixed or contingent, apparent or concealed, at law or in equity, which Plaintiff ever had or held, now has or holds, or hereafter can, shall, or may have or hold at any time in the future, in any capacity, individually or as a member of a class, collective or representative action, or an action for the public good or as a private attorneys general, with respect to Plaintiff's employment with GPUSA, the terms and conditions and working environment of his employment, and the termination thereof, the compensation paid to Plaintiff, the subject matter of the Agreement, or any other matters with, by, between or among GPUSA, or any of the GPUSA Released Parties, and Plaintiff from the beginning of the World through the Settlement Effective Date.

22. In consideration of the terms and provisions of the Agreement, the Members of the Settlement Class (including the members of the three identified Settlement Subclasses, the Regular GPUSA Employee Settlement Subclass, the Temporary Worker Subclass, and the PAGA Penalty Subclass) shall and do hereby and forever fully, finally and forever generally remise, release, waive and discharge, with prejudice, GPUSA and the GPUSA Released Parties, and each of them, from any and all known or unknown, suspected or unsuspected, whether or not concealed or hidden, claims, rights, actions and causes of action, at law or in equity, relating to the Class Released Claims only, which the Members of the Settlement Class (including the members of each of the identified Settlement Subclasses, the Regular GPUSA Employee Settlement Subclass, the Temporary Worker Subclass, and the PAGA Penalty Subclass) ever had or held, now have or hold, or hereafter can, shall, or may have or hold against GPUSA and the GPUSA Released Parties or any one of them, based on any occurrences, transactions, events, acts, or omissions of any kind whatsoever from the beginning of the World through the Settlement Effective Date. Any eligible

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Class Member who does not elect to exclude himself or herself from the Settlement Class will be deemed to have entered into this release of claims and to have released the claims.

- In consideration of the terms and provisions of the Agreement, and without limiting 23. the foregoing release in Paragraph 22, Plaintiff shall and does hereby and forever fully, finally and forever generally remise, release, waive and discharge, with prejudice, GPUSA and the GPUSA Released Parties, and each of them, from any and all known or unknown, suspected or unsuspected. whether or not concealed or hidden, claims, rights, actions and causes of action, at law or in equity, including but not limited to the Plaintiff Released Claims, which Plaintiff ever had or held, now has or holds, or hereafter can, shall, or may have or hold against GPUSA and the GPUSA Released Parties or any one of them, based on any occurrences, transactions, events, acts, or omissions of any kind whatsoever from the beginning of the World through the Settlement Effective Date.
- 24. GPUSA shall not reinstate, re-hire, or hire Plaintiff. Plaintiff shall not apply for employment with GPUSA. Plaintiff understands and agrees that, should be apply for employment, GPUSA shall have the right to terminate the processing of his application, and Plaintiff shall have no rights, claims or causes of action against GPUSA as a result.

### IV. **WAIVER OF SECTION 1542 RIGHTS**

Plaintiff and the Members of the Settlement Class acknowledge and agree that they 25. have been informed of and understand the provision of California Civil Code section 1542 which provides as follows:

> 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 HER OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

26. Plaintiff expressly waives and relinquishes any and all rights and benefits under Section 1542 of the Civil Code of the State of California and under any statute, rule, or principle of common law or equity, of any jurisdiction, that is similar to Section 1542.

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- 27. The Members of the Settlement Class expressly waive and relinquish any and all rights and benefits under Section 1542 of the Civil Code of the State of California and under any statute, rule, or principle of common law or equity, of any jurisdiction, that is similar to Section 1542, relating to the Class Released Claims only.
- 28. Plaintiff and each Member of the Settlement Class further acknowledge and agree that if the facts or law with respect to which the foregoing releases are given hereafter turn out to be other than or different from the facts or law in that connection not known to be or believed by each of them to be true, each of them expressly assumes the risk of the facts or law turning out to be so different, and agrees that the foregoing releases shall be in all respects effective and not subject to termination or rescission based upon any such differences in facts or law.

# V. NO ADMISSION OF LIABILITY

29. This Agreement represents a settlement of disputed rights and claims and, by entering into the Agreement, GPUSA does not admit or acknowledge the existence of any liability or wrongdoing to Plaintiff or any of the Members of the Settlement Class, all such liability or wrongdoing being specifically and expressly denied.

# VI. SETTLEMENT APPROVAL AND IMPLEMENTATION PROCEDURE

- The parties agree to a "no-claims made" redemption process whereby each Class 30. Member will receive their settlement share if he or she does not object or opt-out of the Settlement. Members of the Settlement Class have one hundred eighty (180) days from the date of the issuance to cash their checks.
- 31. Class Administrator: The parties have agreed to appoint Phoenix Settlement Administrators ("Phoenix") as the class administrator for the purpose of administering the settlement contemplated by this Agreement (the "Class Administrator"). The Class Administrator's duties include, but are not limited to, printing, distributing, and tracking notices and forms for this settlement, calculating Individual Settlement Amounts, tax reporting, distributing payments, and providing necessary reports and declarations, and other duties set forth herein to process this Agreement, as requested by the parties. If for any reason Phoenix does not become the Class

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Administrator, then all references to the Class Administrator and to Class Action Administration in this Agreement shall be deemed to refer to the Class Administrator actually appointed.

- 32. GPUSA To Provide Contact Information for Members of the Settlement Class: Within twenty-one (21) calendar days after the Court's preliminary approval of the Settlement. GPUSA shall provide on a confidential basis the Class Administrator with the Class List Data consisting of the following: i) a spreadsheet containing the names, most recent known mailing addresses, telephone numbers, and Social Security numbers of the Members of the Settlement Class, to the extent that GPUSA has such information in its records. GPUSA will contact the temporary staffing agencies that provided the Members of the Temporary Worker Subclass to determine Class List Data for said Members, as needed.
- Confidentiality Of Class List Data: The Class Administrator shall keep confidential 33. all Class List Data provided by GPUSA, as well as any other information exchanged between the parties as part of the settlement.
- 34. Class Notice of Settlement: Within twenty-one (21) calendar days after receipt of the Class List Data, the Class Administrator shall mail the class notice (the "Class Notice"), attached as Exhibit A and incorporated herein by this reference as though set forth herein, to the Members of the Settlement Class via first-class U.S. Mail. The Class Notice will be in a form substantially identical to Exhibit "A" attached hereto, with any modifications as the Court may order. The purpose of the Class Notice is to, inter alia, inform Members of the Settlement Class of the nature of the Action, provide a summary of the proposed settlement, define the Settlement Class, describe how to submit Requests for Exclusion, and describe how to submit Objections.
- 35. Verification of Contact Information: Before the mailing of the Class Notice, the Class Administrator will perform a search based on the National Change of Address Database, or any other similar services available, to correct for any identifiable address changes. After mailing, if a new address is obtained, then the Class Administrator shall promptly forward the original Class Notice to the updated address via first-class U.S. Mail, indicating on the original Class Notice the date of such remailing. GPUSA agrees to cooperate with the Class Administrator to locate a more recent address for Members of the Settlement Class where necessary.

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36. Deadline for Response by Members of the Settlement Class: Members of the Settlement Class will have sixty (60) calendar days from the mailing of the Class Notice (the "Opt-Out Period") to submit Requests for Exclusion or objections to the proposed settlement. As to Members of the Settlement Class whose notices are re-mailed because of a new address, the new deadline for submitting an Exclusion Request or an Objection will be either (i) sixty (60) calendar days from the second mailing or (ii) forty-five (45) calendar days before the hearing on Final Approval, whichever date is earlier.

- 37. Opting Out by Exclusion Request: Within the Opt-Out Period, Members of the Settlement Class who wish to opt-out of the proposed settlement must sign and fax or postmark to the Class Administrator a written Exclusion Request. An Exclusion Request is a writing submitted within the Opt-Out Period that expresses an intent to not participate in the proposed settlement and that (1) is signed by the Member of the Settlement Class requesting exclusion, (2) contains the name, address, telephone number and the last four digits of the Social Security number of the Member of the Settlement Class requesting exclusion, (3) clearly states that the Member of the Settlement Class does not wish to be included in the proposed settlement, (4) is returned by fax or mail to the Class Administrator at the specified address, and (5) is faxed or postmarked on or before the 60-day deadline. The date of the fax or the postmark on the Member of the Settlement Class's mailing envelope shall determine whether an Exclusion Request is timely. A Member of the Settlement Class who does not timely submit an Exclusion Request shall be deemed a Member of the Settlement Class and will benefit by and be bound by all terms of the settlement contemplated by this Agreement, if the Court grants Final Approval.
- 38. Objections: To object to the settlement proposed by this Agreement, a Member of the Settlement Class must file with the Court and serve Plaintiff's counsel and Defendant's counsel. within the Opt-Out Period, an objection to the Agreement. An objection is a written document that is signed by a Member of the Settlement Class who has not filed an Exclusion Request and that includes (a) the objecting Member of the Settlement Class' full name, address, and telephone number, (b) a written statement of factual and legal grounds for the Objection, (c) copies of any papers, briefs, or other documents on which the Objection relies, (d) a list of all persons who will be

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called to testify in support of the Objection, (e) a statement whether the objector intends to appear at the hearing on Final Approval, and (f) a list of all cases in which the objector or the objector's counsel has filed objections to a class action settlement in the preceding five years. Any Member of the Settlement Class who does not file a timely Objection and a notice of an intention whether to appear at the hearing on Final Approval, or who otherwise fails to substantially comply with the requirements of this paragraph, may be foreclosed from objecting to the proposed settlement and seeking any adjudication or review of the settlement, by appeal or otherwise.

- 39. Class Administrator Responsibilities Before Final Approval: If any Class Notice is returned to the Class Administrator as nondelivered, then the Class Administrator may use skip tracing, address verification of returned mail, or other methodology as the Class Administrator deems to be appropriate to locate Members of the Settlement Class. As soon as practicable after the Opt-Out Period, the Class Administrator shall report simultaneously to the parties' counsel the following information: (1) the number of timely and untimely Exclusion Requests, if any, (2) the name of each Member of the Settlement Class, if any, who submitted an Exclusion Request, (3) the number of timely and untimely Objections, if any, and (4) the name of each Settlement Class Member, if any, who submitted an Objection, and the stated grounds therefor. No later than seven (7) calendar days before the hearing on Final Approval, the Class Administrator shall prepare a Due Diligence Declaration stating the steps the Class Administrator has taken to administer this Agreement, including the dissemination of the Class Notice and the receipt of any Requests for Exclusion or Objections. Class Counsel shall be responsible for filing the Due Diligence Declaration with the Court.
- 40. Motion for Final Approval: Following the expiration of the Opt-Out Period, Class Representative Plaintiff will move for Final Approval ("Motion for Final Approval"), and will submit a proposed order to approve this Agreement, which would adjudge that the terms thereof to be fair, adequate, and reasonable, rule on the request for attorneys' fees, rule on the request for the Enhancement Payment, rule on the request for the PAGA Settlement, and call for judgment to be entered on the Action with a provision for the retention of the Court's jurisdiction over the parties to enforce the terms of the judgment pursuant to Rule 3.769(h) of the California Rules of Court. The

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Class Representatives shall provide a draft of the Motion for Final Approval for GPUSA's review and comment. Upon agreement by the parties as to the language to be included in the Motion for Final Approval, GPUSA will file a notice of non-opposition to the Motion for Final Approval.

Class Administrator Responsibilities After Settlement Effective Date: As soon as 41. practicable after the Settlement Effective Date, the Class Administrator shall (1) effect individual settlement payment amounts and issue the appropriate tax reporting, (2) pay the Enhancement Payment to Class Representative Plaintiff and issue the appropriate tax reporting, and (3) pay the award of attorneys' fees and costs to Class Counsel and issue the appropriate tax reporting. The Class Administrator shall monitor the cashing of settlement checks by Members of the Settlement Class. The Class Administrator shall make settlement checks negotiable for 180 days from their issuance and will thereafter have them automatically cancelled if not cashed. As soon as practicable after the 180-day check cashing period, the Class Administrator shall prepare for the parties a Final Report - a document summarizing relevant events to date and advising the total dollar amount paid to Members of the Settlement Class, and the status of any uncashed checks. The Class Administrator shall comply, on behalf of the parties, with any orders of the Court concerning class administration.

# 42. Cy Pres:

a. Regular GPUSA Employee Subclass: Any aggregate amount of One Thousand Dollars (\$1,000.00) or less in uncashed and/or returned checks from the Members of the Regular GPUSA Employee Subclass shall be distributed as a cy pres award to the Counsel for Justice ("CFJ"), the charitable arm of the Los Angeles County Bar Association which provides equal access to legal services in the community by raising funds for, and directly contributing to, projects involving domestic violence, support of veterans, immigration assistance, and AIDS services. Any aggregate amount in excess of One Thousand Dollars (\$1,000.00) in uncashed and/or returned checks from the Members of the Regular GPUSA Employee Subclass shall be divided equally (i.e., 50% / 50%) between the Members of the Regular GPUSA Employee Subclass, on the one hand, and CFJ, on the other hand.

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- b. PAGA Subclass: Any aggregate amount of One Thousand Dollars (\$1,000.00) or less in uncashed and/or returned checks from the Members of the PAGA Subclass shall be distributed as a cy pres award to CFJ. Any aggregate amount in excess of One Thousand Dollars (\$1,000.00) in uncashed and/or returned checks from the Members of the PAGA Subclass shall be divided equally (i.e., 50% / 50%) between the Members of the PAGA Subclass, on the one hand, and CFJ, on the other.
- c. Temporary Worker Subclass: Any aggregate amount of One Thousand Dollars (\$1,000.00) or less in uncashed and/or returned checks from the Members of the Temporary Worker Subclass shall be distributed as a cy pres award to CFJ. Any aggregate amount in excess of One Thousand Dollars (\$1,000.00) in uncashed and/or returned checks from the Members of the Temporary Worker Subclass shall be divided equally (i.e., 50% / 50%) between the Members of the Temporary Worker Subclass, on the one hand, and CFJ, on the other.

# LIMITATIONS ON USE OF THIS SETTLEMENT VII.

# 43. No Admission.

Neither the acceptance nor the performance by GPUSA of the terms of this Agreement nor any of the related negotiations or proceedings is or shall be claimed to be, construed as, or deemed a precedent or an admission by GPUSA of the truth of any allegations in the Complaint.

### 44. Non-Evidentiary Use.

Neither this Agreement nor any of its terms, nor any statements or conduct in the negotiation or drafting of it, shall be offered or used as evidence by Plaintiff, any Class Member (including any individual who requested to be excluded from the Class), GPUSA, or their respective counsel, in the Action.

### 45. Nullification.

If the Court for any reason does not approve this Settlement, this Agreement shall be considered null and void and all parties to this settlement shall stand in the same position, without prejudice, as if the settlement had been neither entered into nor filed with the Court.

# Holland & Knight LLP 400 South Hope Street, 8th Floor Los Angeles, CA 90071 Tel: 213.896.2460 Fax: 213.896.2450

# VIII. MISCELLANEOUS PROVISIONS

# 46. Non-Disclosure.

Plaintiff agrees that if asked about this Action or Settlement, Plaintiff shall refer such inquires to Class Counsel. Class Counsel agrees not to publicize this Action or settlement on their website(s) or in a jury, or case reporting service or in any way.

# 47. Amendments.

The terms and provisions of this Agreement may be amended only by a written agreement which is both (1) signed by named Plaintiff, Class Counsel, GPUSA, and Counsel for GPUSA; and (2) approved by the Court.

# 48. No Inducements.

Plaintiff and GPUSA acknowledge that each of them is entering into this Agreement as a free and voluntary act without duress or undue pressure or influence of any kind or nature whatsoever with the intent to be bound thereby, and that neither Plaintiff nor GPUSA have relied on any promises, representations or warranties regarding the subject matter hereof other than as set forth in this Agreement.

# 49. No Prior Assignment.

The parties hereto represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

# 50. Severability.

If any provision (or portion thereof) of the Agreement is declared by an arbitrator or court of competent jurisdiction to be invalid or unenforceable, the remaining provisions (including other portions of a provision having an invalid portion) shall remain in full force and effect and, to the extent possible, the disputed provision shall be construed so that it may be valid and enforceable.

# 51. Integrated Agreement.

The Agreement constitutes an integrated written contract expressing the entire agreement of Plaintiff and GPUSA, and each of them, as to its subject matter. All prior and contemporaneous

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discussions, negotiations and writings, have been and are merged with and integrated into, and are superseded by, the Agreement. No representations, promises, agreements or understandings, written or oral, not contained herein shall be of any force or effect. The Agreement cannot be modified except by a writing executed by the parties.

# 52. Governing Law.

Construction and interpretation of the Agreement shall at all times and in all respects be governed by the laws of the State of California, without regard to the rules or principles of conflicts or choice of law that might look to any jurisdiction outside of California.

### 53. Waiver.

No failure or delay in exercising any right, power or privilege in respect of the Agreement shall act as a waiver to a later demand for full and complete performance.

# 54. Independent Legal Advice.

The parties have each received prior independent legal advice from their counsel of record with respect to the advisability of entering into the Agreement; and each material term of this Agreement was explained to them in a manner which allowed them to understand the terms of the Agreement and the releases of claims set forth herein to the extent necessary or desirable.

# 55. Construction of Agreement.

As each of the parties to the Agreement was assisted by their respective attorneys in reviewing and agreeing to the terms hereof, no ambiguity shall be resolved against any of the parties by virtue of having participated in the drafting of the Agreement.

# 56. Counterparts.

This Agreement, and any amendments hereto, may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

### 57. Settlement Effective Date.

The effective date of the Agreement ("Settlement Effective Date") means the date when the following conditions have been satisfied: (1) The Agreement is executed by all parties, Class Counsel, and GPUSA's counsel; (2) the Court has given preliminary approval of the Agreement;

Tel: 213.896.2400 Fax: 213.896.2450 Holland & Knight LLP Los Angeles, CA 90071

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(3) notice has been given to the Members of the Settlement Class providing them with an opportunity to opt-out of the Agreement; (4) the Court held a final approval hearing and entered a final order and judgment approving the Agreement; (5) in the event there are written objections filed prior to the final approval hearing that are not withdrawn or overruled, the later of the following events: (i) when the period for filing any appeal, writ, or other appellate proceeding opposing the Agreement has elapsed without any appeal, writ or other appellate proceeding having been filed: or any appeal, writ or other appellate proceeding opposing the Agreement has been dismissed finally and conclusively with no right to pursue further remedies or relief, or (ii) any appeal, writ, or other appellate proceeding has upheld the Court's final order with no right to pursue further remedies or relief. In this regard, it is the intention of the Parties that the Settlement shall not become effective until the Court's order approving the Agreement is completely final and there is no further recourse by an appellant or objector who seeks to contest the Agreement. In the event that no objections are filed, the Effective Date shall be upon the completion of steps (a) through (d) above. If any foregoing conditions described in this paragraph has failed to occur, then, absent further agreement of the parties, this Agreement shall be null and void. IN WITNESS WHEREOF, the parties have executed the Agreement on the date and year

written below.

Dated:	, 2017	JESUS HERNANDEZ CUEVAS On behalf of himself and all others similarly situated
Dated:	, 2017	GALE PACIFIC USA, INC.
		Ву:
		Title:

(3) notice has been given to the Members of the Settlement Class providing them with an
opportunity to opt-out of the Agreement; (4) the Court held a final approval hearing and entered a
final order and judgment approving the Agreement; (5) in the event there are written objections
filed prior to the final approval hearing that are not withdrawn or overruled, the later of the
following events: (i) when the period for filing any appeal, writ, or other appellate proceeding
opposing the Agreement has elapsed without any appeal, writ or other appellate proceeding having
been filed; or any appeal, writ or other appellate proceeding opposing the Agreement has been
dismissed finally and conclusively with no right to pursue further remedies or relief, or (ii) any
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that no objections are filed, the Effective Date shall be upon the completion of steps (a) through (d)
above. If any foregoing conditions described in this paragraph has failed to occur, then, absent
further agreement of the parties, this Agreement shall be null and void.

IN WITNESS WHEREOF, the parties have executed the Agreement on the date and year written below.

Dated:	<u>5-26</u> ,2017	JESUS HERNANDEZ CUEVAS On behalf of himself and all others similarly situated
		Just Henry
Dated:	, 2017	GALE PACIFIC USA, INC.
		By:
		Title:

Los Angeles, CA 90071

Fel: 213.896.2400 Fax: 213.896.2450

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IN WITNESS WHEREOF, the parties have executed the Agreement on the date and year written below.

Dated:		On behalf of himself and all others similarly situated
Dated:	fener 1/2 2017	GALE PACIFIC USA, INC.

Title: <u>Secretar</u>

TRREE LIDDNIANIDEZ CLIEVAS