1 2 3 4 5 6 7 8	Shaun Setareh (SBN 204514) shaun@setarehlaw.com Thomas Segal (SBN 222791) thomas@setarehlaw.com Farrah Grant (SBN 293898) farrah@setarehlaw.com SETAREH LAW GROUP 9665 Wilshire Boulevard, Suite 430 Beverly Hills, California 90212 Telephone (310) 888-7771 Facsimile (310) 888-0109 Attorneys for Plaintiff MARCELL LEWIS		
9	SUPERIOR COURT OF TI	HE STATE OF CAL	IFORNIA
10	FOR THE COUN	TTY OF ALAMEDA	
11	COMPLEX CI	VIL LITIGATION	
12			
13	MARCELL LEWIS, on behalf of himself, all others similarly situated, and the general public,	Case No. RG21097	034
14	Plaintiff,		urposes to the Honorable
15	v.	Evelio Grillo, Depar	rtment 21
16	HALLCON CORPORATION, a Delaware		OF SHAUN SETAREH IN AINTIFF'S MOTION FOR
17	corporation, LOOP TRANSPORTATION, INC., a California corporation; and Does 1 through 10,	PRELIMINARY A ACTION SETTLE	APPROVAL OF CLASS EMENT AND
18 19	Inclusive, Defendants.	CERTIFICATION	N OF SETTLEMENT CLASS
20		Date:	April 5, 2023
21		Time: Place:	10:00 a.m. Department 21
22		Complaint filed:	April 26, 2021
23			
24			
25			
26			
27			
28			

DECLARATION OF SHAUN SETAREH

5

6 7

8

1011

1213

14

15 16

17

18 19

20

21

2223

24

2526

27

28

DECLARATION OF SHAUN SETAREH

I, SHAUN SETAREH, declare as follows:

- 1. I am an attorney in good standing duly admitted to the State Bar of California and principal of Setareh Law Group, attorneys of record for Plaintiff MARCELL LEWIS ("Plaintiff") in this action against Defendants HALLCON CORPORATION and LOOP TRANSPORTATION, INC. ("Defendants") (collectively with Plaintiff, the "Parties"). Except for those matters stated on information and belief, which I am informed and believe to be true and correct, I have personal knowledge of all matters set forth herein. If called as a witness, I could and would competently testify thereto under oath.
- Defendants provide customizable workforce transportation services. Plaintiff worked for Defendants, and Defendants procured a background report on Plaintiff in connection with his application for employment.
- 3. On April 26, 2021, Plaintiff filed a Complaint in the California Superior Court for the County of Alameda County, Case No. RG20063002 (the "Action").
- 4. The claim currently pending in the Action is the single cause of action for alleged failure to make proper disclosures prior to obtaining background check reports in violation of the FCRA, 15 U.S.C. § 1681b(b)(2)(A).
- Other than Plaintiff, Setareh Law Group does not represent any current, former, or prospective employees of Defendants and is not soliciting any individuals for the purpose of pursuing an individual, class, representative, or mass action against Defendant.

Extensive Informal Discovery and Mediation

- 6. The case has been prosecuted diligently for over two years. Plaintiff's counsel's investigation included meeting with Plaintiff, conducting legal research and analysis of the applicable law as applied to the facts discovered regarding Plaintiff's claims and the defenses thereto, and analyzing Defendant's potential liability exposure.
- 7. Plaintiff engaged Defendant in informal discovery in advance of mediation. Plaintiff's counsel reviewed documents both found as a result of investigation and produced by Defendant in order to confirm which background check disclosure and authorization forms were used by Defendant during the Class Period in connection with obtaining its employment applicants' consent for Defendant to

procure background check reports on them as part of the application process.

- 8. Plaintiff's counsel thoroughly analyzed the evolving and often conflicting case law governing FCRA class actions as well as other types of actions, including the related Fair and Accurate Credit Transaction Act where "willfulness" and "proof of actual injury" are often disputed.
- 9. All of this review and investigation allowed Plaintiff's counsel to structure a settlement that provides benefits directly to the persons who were subjected to the allegedly unlawful forms.
- 10. The Parties attended a full-day mediation session on August 9, 2021 with Marc Feder, Esq., a well-regarded mediator who has mediated many employment class actions. At and after mediation, the Parties extensively discussed their views of the strengths and weaknesses of the case including the merits and risks.
- 11. Based on the information obtained through formal and informal discovery, as well as the stage of the proceedings, Plaintiff and her counsel had sufficient information to intelligently evaluate Defendant's potential exposure to the Class in view of the risks of continued litigation. Ultimately, the Parties were able to reach an agreement on all material terms of the proposed relief to the class, subject to the Parties entering into a more comprehensive written settlement agreement. On December 29, 2022, the Parties had fully negotiated the terms of the Stipulation of Class Action Settlement (hereinafter "Settlement") and fully executed it. A true and correct copy of the executed Settlement is attached hereto as **Exhibit 1**.
- 12. I believe, taking into account the benefits of this settlement, and the risks and delays of further litigation, as well as the strengths and weakness of Plaintiff's claims and Defendant's defenses, that this Settlement is fair, reasonable, and adequate, and in the best interests of Plaintiff and of all Class Members affected by it.

Adequacy of Plaintiff and Her Counsel to Represent the Proposed Class

13. Like Settlement Class Members, Plaintiff was the subject of a consumer report procured for employment purposes on Defendant's behalf, and in order to obtain Plaintiff's authorization for a background check to be conducted on her and a report therefrom to be provided to Defendant, Plaintiff was presented with a disclosure form allegedly containing extraneous information that disclosed Defendant's intent to do so. Plaintiff has no conflict of interest with absent Settlement Class Members

8

5

9 10

12

13

14

11

15

16 17

18

19 20

21

2223

24

25

2627

28

and has agreed to place the Class's interests above her own.

- 14. The Setareh Law Group and I have no known conflicts of interest with Plaintiff or with absent Class Members, and I am aware of no conflicts of interest between Plaintiff and absent Class Members.
- 15. I received my undergraduate degree from UCLA in 1996 and my law degree from Loyola Law School in 1999. Since being admitted to the State Bar of California in 1999, I have actively practiced civil litigation for the entirety of that time period.
- 16. My firm and I, as the principal attorney of Setareh Law Group, are well-experienced class action attorneys. I, along with the senior attorney assigned to this case, Thomas Segal, have considerable experience in class action litigation including employment and Fair Credit Reporting Act cases. We possess significant experience in Fair Credit Reporting Act cases involving allegations that the defendant employer failed to provide a legally compliant standalone disclosure.
- 17. I, and the attorneys at Setareh Law Group, have been involved as lead class counsel, colead class counsel, and other levels of involvement in over 100 wage-and-hour, consumer, and antitrust class action cases. I was lead counsel in Troester v. Starbucks Corporation, et al., before the California Supreme Court, Case No. S234969, in which the Court issued a landmark decision that clarified and rejected the application of the widely adopted federal de minimis doctrine to California's wage-and-hour laws. For my work on that case, I received the California Lawyer of the Year or "CLAY" award. Recently, Setareh Law Group represented the plaintiff in a Ninth Circuit victory involving the standards for motions to remand under the Class Action Fairness Act. Setareh Law Group was counsel of record in Parsittie v. Schneider Logistics, Inc. et al., No. 20-55470 (9th Cir. June 9, 2021) and Harris v. KM *Industrial, Inc.*, 980 F.3d 694 (9th Cir. November 13, 2020). Setareh Law Group was also counsel of record in Rodriguez v. U.S. Healthworks, 813 Fed.Appx. 315 (9th Cir. 2020) in which the Ninth Circuit reversed the trial court's order granting summary judgment. I was also lead counsel in a landmark Ninth Circuit decision interpreting the Fair Credit Reporting Act, Gilberg v. California Check Cashing Stores, LLC, 913 F.3d 1169 (9th Cir. 2019). Setareh Law Group has prevailed in its five most recent Ninth Circuit appeals including the Gilberg, Rodriguez, Harris, and Parsittie cases cited above, as well as the Ninth Circuit opinion following the California Supreme Court answering the Ninth Circuit's certified

question. *Troester v. Starbucks Corp.*, 738 Fed. Appx. 562 (9th Cir. 2018.) Three of the five cases resulted in reversals of the trial court decision, with the remaining two cases (*Harris* and *Parsittie*) affirming a decision favorable to the Plaintiff. Setareh Law Group has more than 140 Westlaw-citable opinions.

The following is a sampling of class actions in which I and the attorneys of Setareh Law Group have been appointed as class counsel:

Federal Cases

- a. *Cerdenia v. USA Truck, Inc.*, U.S. District Court, Central District of California, Case No. 10-CV-1489-JVS (granted final approval in an action on behalf of truck drivers for meal and rest period violations, off-the-clock pre- and post-shift work, and unauthorized wage deductions).
- b. Fronda v. Staffmark, U.S. District Court, Northern District of California, Case No. 15-CV-02315-MEJ (granted final approval in a case involving alleged uncompensated security checks for warehouse workers).
- c. *Garcia v. Am. Gen. Fin. Mgmt. Corp.*, U.S. District Court, Central District of California, Case No. 09-CV-1916 (granted final approval in a case filed on behalf of account managers in case involving, among other things, alleged overtime miscalculations and meal and rest period violations).
- d. *Jones v. Shred-It USA, Inc.*, U.S. District Court, Central District of California, Case No. 11-CV-00526 (granted final approval in a case brought on behalf of customer service representatives and balers for alleged off-the-clock work and meal and rest period violations).
- e. *O'Neill v. Genesis Logistics, Inc.*, U.S. District Court, Northern District of California, Case No. 08-CV-4707 (granted final approval in a case involving claims for failure to provide meal periods to employees who worked as drivers delivering goods to 7-11 stores throughout California and failure to pay final wages in a timely manner to terminated employees).
- f. *Padilla v. UPS*, U.S. District Court, Central District of California, Case No. 08-CV-1590 (granted final approval in a case involving claims for failure to provide meal periods to

part time employees engaged in sort operations and failure to pay final wages in a timely manner to terminated employees).

- g. *Pitre v. Wal-Mart Stores, Inc.*, U.S. District Court, Central District of California, Case No. 17-cv-01281-DOC (granting class certification against Wal-Mart for a class of almost 5,000,000 in a Fair Credit Reporting Act action).
- h. *Utne v. Home Depot U.S.A., Inc.*, U.S. District Court, Northern District of California, Case No. 16-cv-01854-RS (granting class certification against Home Depot in connection with uncompensated off-the-clock work occurring at the start of all employee shifts and at the end of closing shifts).
- i. Vang v. Burlington Coat Factory Warehouse Corp., U.S. District Court, Central District of California Case No. 09-CV-8061 (granted final approval in a case involving, among other things, vacation pay forfeitures, failures to provide meal and rest periods, and failures to pay overtime wages based on employee misclassification).
- j. *Wilson v. TE Connectivity*, Northern District of California Case No. 3:14-cv-04872-EDL (granted class certification through contested motion in case on behalf of manufacturing facility employees subject to auto-deduction of meal breaks).

State Cases

- k. Alvarez v. Gary Grace Enterprises, LP, Marin Superior Court, Case No. CIV 1002553 (granted final approval in a case on behalf of hair salon employees for overtime miscalculation and related claims).
- l. *Butler v. Lexicom, Inc.*, San Bernardino Superior Court, Case No. CIVRS 1001579 (granted final approval in an action on behalf of debt resolution center employees alleging, among other things, meal and rest period violations and overtime calculation errors).
- m. *Calderon v. GreatCall, Inc.*, San Diego Superior Court, Case No. 37-2010-00093743-CU-OE-CTL (granted final approval in a case on behalf of customer service employees for, among other things, alleged meal and rest period violations and overtime calculation errors).

- n. *Douglas v. California Credit Union*, Los Angeles Superior Court, Case No. BC445050 (granted final approval in a case on behalf of customer service representatives alleging overtime miscalculation claims).
- o. *Green v. Staples Contract and Commercial, Inc.*, Los Angeles Superior Court, Case No. BC389789 (granted final approval in a case involving claims for unprovided meal and rest periods, inaccurate wage statements, waiting time penalties, and unfair business practices on behalf of truck drivers delivering Staples office supplies in California).
- p. *Green v. Universal Music Group*, Los Angeles Superior Court, Case No. BC374253 (granted final approval in a case involving misclassification claims of current or former IT Support employees, including engineers, server analysts, desktop support, and technical leads).
- q. Sandoval v. Rite Aid Corp., Los Angeles County Superior Court, Case No. BC431249 (granted class certification through contested motion in case on behalf of former pharmacy employees based on late final wage payments in violation of Labor Code §§ 201–203; subsequently granted final approval of class action settlement).
- r. *Spokes v. Lush Cosmetics, LLC*, Los Angeles Superior Court, Case No. BC391397 (granted final approval in a case alleging failures to provide meal and rest periods and failure to timely pay all final wages to California sales associates and key holders).
- s. *Valencia v. SCIS Air Security Corp.*, Los Angeles Superior Court, Case No. BC421485 (granted class certification through contested motion in case on behalf of former security workers based on late final wage payments in violation of Labor Code §§ 201–203; subsequently granted preliminary approval of proposed class action settlement).
- 18. The Setareh Law Group has been counsel in multiple actions alleging violation of the standalone disclosure requirement of the FCRA. The litigation in these cases, and the varying results, provide Setareh Law Group with a good ability to assess the value of similar cases. The paragraphs below provide a non-exhaustive summary of that experience as relevant to the ability to assess the value of the settlement in this case.
 - 19. Setareh Law Group is Class Counsel for the Settlement Class in the case of *Burnthorne*-

Martinez v. Sephora USA, Inc., Northern District of California Case No. 4:16-cv-02843. That case also
involves allegations that the defendant in that case obtained background checks using disclosure forms
that contained extraneous information. Final approval has been granted in that case. The settlement
amount was \$750,000 for 11,429 class members or \$65.60 per class member. The settlement was
reached after a class certification motion and motion for summary judgment were fully briefed.

- 20. Setareh Law Group is Class Counsel for the Settlement Class in the case of *Garza v*. *Brinderson Constructors, Inc.*, Northern District of California Case No. 15-cv-05742-EJD. That case also involves allegedly unlawful disclosure forms containing extraneous information. Final approval has been granted in that case. The settlement amount was 1.5 million with approximately 12,818 class members or \$117.02 per class member. The settlement was arrived at after a class certification motion was fully briefed.
- 21. In the *Sephora* and *Brinderson* cases some of the forms at issue contained unambiguous liability releases like the one in *Syed v. M-I LLC*, 853 F.3d 492 (9th Cir. 2017).
- 22. Setareh Law Group is class counsel for the Settlement Class in a third FCRA standalone disclosure case in the Northern District of California which settled after a class certification motion was fully briefed. *Esomonu v. Omnicare, Inc.*, 4:15-cv-02003-HSG. Final approval has been granted in that case. The settlement amount was \$1.3 million with approximately 43,069 class members or \$30.18 per class member.
- 23. The Setareh Law Group has been involved as counsel in two standalone disclosure cases where summary judgment was granted in favor of the defendant. Those cases are *Lewis v. Southwest Airlines*, 2018 WL 400775 (N.D. Tex. January 11, 2018) and *Gilberg v. California Check Cashing Stores, Inc.*, Eastern District of California Case No. 2:15-cv-02309-JAM-AC (summary judgment granted June 13, 2017). Both are cases where the FCRA disclosure form contained extraneous information but not a *Syed*-type liability release.

Attorneys' Fees and Costs

24. Class Counsel intends to request attorneys' fees of up to one-third (1/3) of the Gross Settlement Amount (i.e., \$100,000.00 based on the current GSA) and their actual costs currently estimated not to exceed \$25,000. In view of Class Counsel's efforts and risks in pursuing this case, and

20

21

22

23

24

25

26

27

28

- 25. The Setareh Law Group has done extensive work in connection with this case, including but not limited to conducting the initial investigation of the case and developing the facts and theories regarding the FCRA claims, conducting formal and informal discovery to obtain the applicable disclosure and authorization forms and class data, reviewing documents obtained from Defendant, conducting a review of the record and preparing a thorough mediation brief and damages analysis in preparation for mediation, travelling throughout California including to hearings in this matter, engaging in contentious arms-length negotiation at and after the mediation, and working with Defendant to prepare the Settlement Agreement, related forms, and preliminary approval motion.
- 26. The Setareh Law Group prosecuted this matter on a contingent basis, meaning that, if the case were unsuccessful, the firm would have received no compensation or reimbursement of costs. The

EXHIBIT 1

Vinesign Document ID: BB9C3937-E336-430F-85ED-BA8E7E14BFC1

WHEREAS, Plaintiff is a former employee of Loop;

;

WHEREAS, on or about April 26, 2021, Plaintiff filed a class action Complaint in the California Superior Court, in and for the County of Alameda against Defendants for alleged violation of the Fair Credit Reporting Act ("Complaint"), initiating the civil action entitled *Marcell Lewis v. Hallcon Corporation, et al..*, Superior Court of the State of California for the County of Alameda, Case RG21097034 (the "Action")

WHEREAS, Plaintiff and Defendants shall be hereinafter collectively referred to as the "Parties" or "Party" individually;

WHEREAS, on August 9, 2021, the Parties commenced a full-day mediation with mediator Marc Feder. While a settlement was not reached at mediation, parties engaged in further settlement negotiations in the following months and have now reached a reached a settlement of all of Plaintiff's individual claims in this Action against Defendants.

WHEREAS, to avoid the inherent risk and costs of litigation, the Parties want to completely settle all claims that were or could have been alleged in the Complaint and in the instant Action;

NOW THEREFORE, THE PARTIES HEREBY STIPULATE AND AGREE to settle all such claims as follows:

I. **DEFINITIONS**

The terms defined above shall have the meanings therein given, for all purposed in this Joint Stipulation of Class Settlement, including in any exhibits hereto. And, the following defined terms used in this Joint Statement of Class Settlement and any exhibits hereto will have the meanings given them below.

- 1. <u>Agreement</u>. "Agreement", "Settlement", "Settlement Agreement" and "Joint Stipulation" mean this Joint Stipulation of Class Action Settlement.
- 2. <u>Class.</u> "Class", "Class Members", "Settlement Class", or "Settlement Class Members" shall mean all current, former, and prospective applicants for employment who

8

11

1213

15

14

1617

18 19

20

2122

23

2425

2627

28

applied for a job with Loop, at any time during the Class Period.

- 3. <u>Class Administrator</u>. "Class Administrator" means Phoenix Settlement Administrators the third-party professional class action claims administrator, jointly selected by the Parties and/or appointed by the Court to perform the Class Administration Duties.
- 4. <u>Class Administrator Declaration</u>. "Class Administrator Declaration" shall mean a declaration attesting, in detail, to the steps taken through the date of such declaration in performing the Class Administration Duties, that the procedures contemplated in Sections II.5 through II.7 below are complete, and that the Class Administrator has all information needed to perform any remaining Class Administration Duties, including calculation of the amounts of the respective Eligible Class Member Shares.
- 5. Class Administration Costs. "Class Administration Costs" shall mean the fees and expenses reasonably and necessarily incurred by the Class Administrator as a result of performing the Class Administration Duties. Class Administration Costs shall be paid from the Gross Settlement Amount. Based on an estimate provided by the Class Administrator based on presently and reasonably available information, the Parties stipulate that Class Administration Costs shall be up to \$7,500. Should any actual Class Administration Costs turn out to be less than the projected amount, the Parties agree that the savings will be allocated to the Net Settlement Amount, to be distributed to Eligible Class Members. Should any actual reasonable and necessary Class Administration Costs be more than the above estimate amount, the Parties stipulate that the Class Administrator should be paid such amounts, the Parties will apply to the Court for an adjustment, with any additional Class Administration Costs to be paid from the Gross Settlement Amount, accompanied by a corresponding reduction in another or other elements of the Gross Settlement Amount, to be approved by the Court as part of Final Approval. If any Party exercises a right in this agreement to void, it such Party will be responsible for Class Administration Costs incurred.
- 6. <u>Class Administration Duties</u>. "Class Administration Duties" shall mean the duties of the Class Administrator as set forth in this Agreement and as may be ordered by the

Court.

- 7. <u>Class Certification</u>. "Class Certification" shall mean certification of the Class pursuant to Cal. Code. Civ. Proc. § 382 and other applicable law, for purposes of this Settlement only, without prejudice to Defendants' ability to oppose or otherwise challenge such certification, except that Defendants shall not so oppose or otherwise challenge such certification for purposes of performing Defendants' duties under this Settlement, which include to make all reasonable efforts to give such Settlement full force and effect.
- 8. <u>Class Counsel</u>. "Class Counsel" refers collectively to: Shaun Setareh (State Bar No. 204514) of Setareh Law Group, 9665 Wilshire, Suite 430, Beverly Hills, California 90212.
- 9. Class Counsel Fees and Costs. "Class Counsel Fees and Costs" shall mean an amount of one-third of the Gross Settlement Amount in Class Counsel's Fees subject to Court approval, in addition to actual costs and expenses (but not to exceed \$25,000) incurred by Class Counsel related to the Action as supported by declaration. The Claims Administrator may purchase an annuity to utilize US treasuries and bonds or other attorney fee deferral vehicles for Class Counsel. Class Counsel Fees and Costs shall be paid to Class Counsel from the Qualified Settlement Fund by the Class Administrator. Such payment of Class Counsel Fees and Costs shall be deemed to be full satisfaction of any obligations by Defendants to pay any attorney fees, attorney costs and/or other fees or costs to Plaintiffs, Class Members, and/or Class Counsel in relation to the Action. Any future adjustments to the amount of the Class Counsel Fees and Costs, including by the Court, shall not constitute a basis for this Settlement being void or Void *Ab Initio*, unless such adjustment shall have the effect of increasing the Gross Settlement Amount, whereupon this Settlement will be voidable by Defendants as provided in this Agreement.
- 10. <u>Class Notice</u>. "Class Notice" shall mean a notice to Class Members pursuant to Rule 3.769(f) of the California Rules of Court, substantially in the form indicated in Exhibit "A" hereto, and distributed by the Class Administrator in accordance with Section II.6 below.
 - 11. <u>Class Member Objection</u>. "Class Member Objection" shall mean a Class

Member's objection made pursuant to the provisions of Section II.7 below.

- 12. <u>Class Member Objector</u>. "Class Member Objector" shall mean a Class Member who submits a Class Member Objection. A Class Member Objector shall not be considered an Opt-Out unless they submit a valid Opt-Out Request.
- 13. <u>Class Period</u>. "Class Period" shall refer to the time period from April 1, 2016 through March 31, 2022.
- 14. <u>Class Position</u>. "Class Position" shall mean current, former, and prospective applicants for employment in the state of California who applied for a job with Loop and for whom a background check was performed during the Class Period.
- 15. <u>Court</u>. "Court" refers to the above-referenced Court, or any such further courts, arbitrators, or other judicial bodies that may in the future obtain valid jurisdiction over the Action.
- 16. <u>Date of Preliminary Approval</u>. The "Date of Preliminary Approval" means the day on which the Court signs and enters its order granting Preliminary Approval.
- 17. <u>Defendants' Counsel</u>. "Defendants' Counsel," "Loop's Counsel" or "Counsel for Defendants" shall mean Fisher & Phillips LLP, 2050 Main Street, Suite 1000, California 92614, and the attorneys in such firm including Boris Sorsher (SBN 251718).
- 18. <u>Effective Date</u>. "Effective Date" shall mean the date on which all of the following have occurred:
- (a) Full execution of this Agreement by all parties, and expiration of any applicable revocable periods related to such signature;
- (b) All provisions of Rule 3.769 of the California Rules of Court have been complied with;
 - (c) Entry by the Court of Preliminary Approval;
- (d) Receipt by Defendants of written notice of such entry of Preliminary Approval pursuant to the California Code of Civil Procedure and the California Rules of Court, or Loop's express waiver of such notice;

Class Members. If the number of Class Members who are not Eligible Class Members exceeds such percentage, then Loop shall have the absolute right (but not the obligation) to deem this Settlement Void *Ab Initio* upon written notice to Class Counsel, the Court, and the Class Administrator. If Loop, within fourteen (14) days of the Class Administrator's written notice to all Parties that the number of Class Members who are not Eligible Class Members exceeds 5% of all Class Members, fail to advise the Class Administrator and Plaintiff's Counsel in writing that they will withdraw from the Settlement, this circumstance will not determine the Effective Date.

- 19. <u>Eligible Class Member</u>. "Eligible Class Member" means a Class Member who is not an Opt-Out.
- 20. <u>Eligible Class Member Share(s)</u>. "Eligible Class Member Share" shall mean the portion of the Net Settlement Amount that will be allocated to each Eligible Class Member. Payment of Eligible Class Member Shares shall be subject to legally required withholdings, deductions, and contributions. Any unclaimed funds from the Net Settlement Amount will be distributed to a mutually agreeable cy pres organization. The unclaimed funds shall not revert back to the Loop. As to the Plaintiff, the amount of their Eligible Class Member Shares is in addition to any Court-approved Named Plaintiff Enhancements.
- 21. <u>Final Approval</u>. "Final Approval" shall mean an order of the Court finally approving this Settlement pursuant to Rule 3.769 of the California Rules of Court and granting Class Certification.
- 22. <u>Final Approval Hearing</u>. "Final Approval Hearing" shall mean the hearing on a motion for Final Approval, scheduled and conducted pursuant to Rule 3.769 of the California Rules of Court.
- 23. <u>Gross Settlement Amount.</u> "Gross Settlement Amount" means the maximum possible amount Loop shall pay as a consequence of this Settlement, which is Three Hundred Thousand United States Dollars and Zero Cents (\$300,000.00) unless the class members exceed 1000 by more than 10% in which case the Gross Settlement Amount shall be increased

proportionately, i.e. 1% if the excess is 11%, 2% if 12% etc.

- 24. <u>Judgment</u>. "Judgment" means a Judgment of the Court in accordance with Rule 3.769(h) of the California Rules of Court.
- 25. <u>Named Plaintiff's Enhancement</u>. "Named Plaintiff's Enhancement" shall mean the amount approved by the Court to be paid to Plaintiff Marcell Lewis in addition to his individual Eligible Class Member Share, in consideration for his effort in coming forth as a class representative, and in consideration for his General Release, as defined herein. The Parties agree that such amount shall be Five Thousand Dollars (\$5000.00), subject to the Court's approval.
- 26. <u>Net Settlement Amount</u>. "Net Settlement Amount" shall mean the Gross Settlement Amount minus (a) Class Administration Costs, (b) Class Counsel Fees and Costs; and (c) the Named Plaintiff Enhancement.
- 27. <u>Notice Packet</u>: "Notice Packet" shall mean a packet mailed by the Class Administrator pursuant to Section II.6 below, containing the Class Notice, and any other accompanying documents required by this Settlement and/or Preliminary Approval.
- 28. Opt-Out(s). "Opt-Out(s)" refers to Class Members who have submitted an Opt-Out Request.
- 29. Opt-Out Request. "Opt-Out Request" means a timely and valid written request for exclusion from the Settlement by a Class Member, pursuant to the provisions of Section II.7 below.
 - 30. Party. "Party" shall mean, individually, one of the Parties, and each of them.
- 31. <u>Preliminary Approval</u>. "Preliminary Approval" shall mean an order of the Court preliminarily approving this Settlement pursuant to Rule 3.769 of the California Rules of Court, granting conditional Class Certification for purposes of the Class Administration Procedures, certifying Class Counsel, approving the form of Class Notice, establishing Class Administration Procedures, and scheduling a Final Approval Hearing.
 - 32. <u>QSF / Qualified Settlement Fund</u>. "QSF" or "Qualified Settlement Fund" shall

mean the Qualified Settlement Fund established by the Class Administrator for the payment of the Settlement Payment Amount.

33. Released Claims. The term "Released Claims", as applied to releases by Eligible Class Members, shall mean any and all facts and claims asserted in the Action or any other claims, demands, obligations, actions, causes of action, liabilities, debts, promises, agreements, attorneys' fees, losses or expense, known or unknown, suspected or unsuspected, filed or unfiled, that they may have or had arising out of any known or unknown fact, condition or incident occurring prior to the date of this Settlement, that could have been asserted in the Action, including any and all claims for FCRA statutory or actual damages and penalties or any state corollary to the FCRA.

The term "Released Claims" or "General Release," as applied to the Named Plaintiff, shall refer to the Named Plaintiff's additional general release of all claims, known or unknown as follows: Named Plaintiff releases Defendants, including Hallcon, the Released Parties (as defined in section I (34), and each of their respective subsidiaries, affiliates, predecessors or successors in interest, officers, directors, owners, managers, shareholders, employees, attorneys, agents, assigns, insurers, and re-insurers of any of them, from all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule or regulation arising out of, relating to, or in connection with any act or omission by or on the part of Defendants.

With respect to the General Release, Named Plaintiff stipulates and agrees that, upon the Effective Date, Named Plaintiff shall be deemed to have expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which provides:

Section 1542. [Certain Claims Not Affected By General Release.] A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her would have materially affected

his or her settlement with the debtor or released party.

Accordingly, if the facts relating in any manner to this Settlement are found hereafter to be other than or different from the facts now believed to be true, the release of claims contained herein shall be effective as to all unknown claims. Notwithstanding the foregoing provisions, the General Release by Named Plaintiff does not constitute a waiver of any claims that cannot by law be waived, including claims for workers' compensation, disability insurance, or unemployment insurance. Nothing in this release affects the Named Plaintiff's claims set forth in either Lewis v. Hallcon Corporation Case No. RG 20063002 or Lewis v. Hallcon Corporation, Case No. RG 200630098. Nor does this release affect claims arising after the execution of the agreement.

- 34. Released Parties. The term "Released Parties", shall mean Defendants, their parents, subsidiaries, affiliates, insurers, related entities and divisions, and its and their respective: (i) predecessors, successors, and assigns, and (ii) current and former agents, heirs, executors, administrators, principals, officers, directors, shareholders, employees, founders, members, assigns, insurers, attorneys, and all other claiming through and by any of them, including Hallcon Corporation.
- 35. <u>Settlement Payment Amount</u>. "Settlement Payment Amount" means the Gross Settlement Amount, consisting of several elements including, without limitation: Eligible Class Member Shares, Class Administration Costs, the Named Plaintiff's Enhancement, Class Counsel Fees and Costs, the Net Settlement Amount,.
- 36. <u>Void Ab Initio</u>. "Void Ab Initio" shall mean a circumstance in which this Agreement is null and void and the Parties shall be returned to conditions such that the Agreement had never been entered into. Such circumstance will be deemed to exist only if any of the following having occurred: (a) the Court has so ordered; (b) any of the Parties has materially breached this Agreement and either such breach cannot be cured, or after reasonable notice to the breaching Party and a reasonable opportunity to cure such breach to the satisfaction of the non-breaching Parties, the breaching Party has failed to do so, unless (i) the non-breaching Parties have stipulated in writing that such breach is non-material; or (ii) the

Court has ruled that such un-cured or un-curable breach is non-material; (c) conditions have become such (including, for example, that the Court has refused to approve the Settlement) that the Effective Date has not occurred and cannot occur in the future; and/or (d) as otherwise specifically provided for in this Agreement.

II. TERMS AND CONDITIONS OF SETTLEMENT

In addition to the definitional elements set forth above, the terms and conditions of the class settlement shall be as follows:

- 1. <u>Certification for Settlement Purposes Only.</u> The Parties stipulate that Class Certification should be granted as to the Class for purposes of this Settlement only.
- 2. <u>Contentions and Defenses: Compromise</u>. The Parties have determined that this Settlement represents a fair and reasonable compromise of disputed claims for wages and other monetary and non-monetary relief, following a reasonably thorough investigation. The Parties have entered into this Settlement to avoid the inherent risks and costs of further litigation. Named Plaintiff does not stipulate that this Settlement represents the maximum extent of such relief to which she or the Class would be entitled if the Action were to be further litigated. Defendants do not stipulate that, should the Action be further litigated, Named Plaintiff and/or the Class would be entitled to any relief whatsoever. Neither Named Plaintiff nor Defendants admit to any unlawful conduct or wrongdoing. The Parties hereby reserve all of their rights to litigate the Action and seek all available forms of relief should this Settlement not be given effect.
- 3. <u>Confidentiality and Class Member Communications</u>. Until Class Counsel files a Motion for Preliminary Approval, the Parties will keep the existence and terms of Settlement strictly confidential. Until such time, Class Counsel may discuss the terms of this Settlement with Class Members other than the Named Plaintiff only if such additional Class Members initiate contact with Class Counsel in such regard. No Party or their counsel may otherwise make any public statement or comment or make any disclosures of any kind about this Settlement to anyone, including without limitation, the public, or press, or on any public or

semi-public forum on the internet (such as social media) without the express written permission of each of the other Parties. Such confidentiality provisions shall remain in force following Preliminary Approval as well, with the following exceptions: (a) the Class Administrator may take steps reasonably necessary to perform Class Administration Duties; (b) Class Counsel and Named Plaintiff may take reasonably necessary steps to perform their duties as such; and (c) Class Counsel may list or disclose this Action and Settlement as among their handled cases in court filings or motions only, but may not disclose the terms of the Settlement on any firm publication or other public media. In the interest of permitting the Class Notice and administration process to function on its own, Named Plaintiff herself agrees not to discuss this Settlement with any Class Members or any other individuals except for their attorneys, financial representatives, accountants and/or spouse. Loop agrees not to discourage Class Members from, and agrees not to encourage them to, exercise any of their rights or obligations pursuant to this Agreement.

Named Plaintiff and Class Counsel agree that they have not and will not publish the Settlement or identity of Defendants or its affiliates in any publication or advertisement. In response to any inquiries regarding the Action, Plaintiff will state that "the case was resolved, and it was resolved confidentially." Class Counsel shall not report the Settlement in any medium or in any publication, shall not post or report anything regarding the claims of Plaintiff or the Class Members or the Settlement on their website, and shall not contact any reporters or media regarding the Settlement. However, Class Counsel are authorized to make a limited disclosure to the Court for the purposes of obtaining the approval of the settlement, as described herein.

4. <u>Preliminary Approval</u>. As soon as possible following execution of this Agreement, Class Counsel shall move the Court for Preliminary Approval. Class Counsel will submit therewith a proposed order and any necessary declarations in support of Preliminary Approval. The Parties shall give all reasonable cooperation necessary to obtain Preliminary Approval from the Court.

- 5. <u>Class Administration Procedures Class List.</u> Within fourteen (14) days of Loop's receipt of notice of entry of Preliminary Approval, Loop shall cause to be delivered by email or otherwise to the Class Administrator a list of the Class Members that includes their names, last known home address(es), full social security numbers during the Class Period, all of which information shall be based upon Loop's reasonably available business records and/or the best reasonably available personal knowledge of Loop's employees and agents.
- 6. Class Administration Procedures Notice to Class. Within ten (10) days after delivery of the information described in Section II.5 above, the Class Administrator will mail a Notice Packet to each Class Member via United States Mail, first class, postage pre-paid. Prior to such mailing, the Class Administrator will calculate the estimated Eligible Class Member Shares of each respective Class Member, based upon an assumption that all Class Members will become Eligible Class Members, that no Class Member Objections, Opt-Out Requests, or other disputes pursuant to Section II.7 below will be submitted, and that no Class Members will be added to the Class. The approximate amounts of such estimated Eligible Class Member Shares will be disclosed on an individual basis in each Class Member's respective Class Notice, along with the basis of the calculation.

If any mailed Notice Packets are returned as undeliverable, then the Class Administrator shall promptly perform one "skip trace" or similar search and shall promptly re-mail the same Notice Packet (or a true and correct copy thereof) to any new addresses disclosed by such search. If the process set forth in this paragraph and any other procedures ordered by the Court are followed, the Class Notice will be deemed to have been adequately provided to all Class Members. In the event the procedures in the Agreement are followed and a Class Member, nonetheless, does not receive the Notice Packet, the intended recipient shall remain a Class Member, and will be deemed an Eligible Class Member, unless such intended recipient submits a Class Member Objection or Opt-Out Request.

7. <u>Class Administration Procedures – Class Member Objections, and Opt-Out Requests</u>

6

9

8

10 11

12 13

14 15

16

17 18

19

20 21

22

23 24

25

26 27

28

(a) Class Member Objections – Filing and Service: Any member of the Settlement Class who wishes to make a Class Member Objection must give written notice to the Class Administrator, with such notice being received by the Class Administrator within forty-five (45) days of mailing of the Notice Packets to the Class Members. Such written notice shall contain the relevant Class Member's name, address, telephone number, and signature, as well as a statement to the effect that the Class Member objects to the settlement, the basis and/or reason for such objection.

(b) Class Member Objections – Responses: Upon receipt of any documents purporting to be Class Member Objections, the Class Administrator shall forthwith forward such documents to Class Counsel and Loop's Counsel by e-mail and United States Mail. Following receipt of such documents, Class Counsel and Loop's Counsel shall confer regarding such documents purporting to be Class Member Objections. Class Counsel shall file with the Court, in a separate document along with their motion for Final Approval, a joint statement, not to exceed ten (10) pages, containing the Parties' points and authorities in response to such documents purporting to be Class Member Objections, along with copies of such Class Member Objections. If the Parties' responses differ in any respect, the jointly-held positions shall be set forth in a separately entitled section, and the differently-held positions shall be set forth in further separately-entitled sections of the joint response. The Parties may attach evidence to the joint response, which shall not count toward the page limit. If the volume of documents purporting to be Class Member Objections is sufficiently large such that ten (10) pages is insufficient for the joint response, the Parties (or any of them) may apply to the Court for an increase in the number of such pages. Should the Parties receive any untimely-filed, received, or sent documents purporting to be Class Member Objections (or should the Parties receive them less than ten (10) days prior to any due date for the motion for Final Approval), the Parties may file a further such joint response at any time prior to the Final Approval Hearing, but in any event not later than ten (10) days after receiving such untimely documents.

> Opt-Out Requests: Any member of the Settlement Class who wishes to (c)

make an Opt-Out Request must deliver written notice (to include the relevant Class Member's name, address, telephone number, and signature) to such effect to the Class Administrator, with such notice being received by the Class Administrator within forty-five (45) days of mailing of the Notice Packets to the Class Members. Such written notice shall set forth a statement to the effect that the Class Member does not wish to be part of, to be bound by, and/or to receive funds pursuant to the Settlement. The Class Administrator shall give Class Counsel and Loop's Counsel no less than weekly notice of the number of Class Members who have submitted Opt-Out Requests, as well as copies of any such Opt-Out Requests upon request. Should any of the Parties wish to dispute the validity of any documents purporting to be Opt-Out Requests, they shall notify the Class Administrator and all other Parties via e-mail and U.S. Mail within ten (10) days of receiving such documents, and in so doing they shall state the factual and legal basis for such dispute. Prior to the deadline for submitting its declaration described in Section II.8 below, the Class Administrator shall make a determination as to the validity of the disputed Opt-Out Requests, and shall set forth its determinations in such declaration. The Class Administrator's decisions in such regard shall be final and binding.

(d) Disputes Concerning Class Member Status: Should any person who does not receive a Class Notice directed to him or her wish to come forward purporting to be a Class Member, such person shall notify the Class Administrator, no later than forty-five (45) days after the Class Administrator's mailing of the Class Notice Packets. The Class Administrator shall forthwith send any such documents to Class Counsel and Loop's Counsel via email and/or United States Mail. Upon receipt of such notice, Loop shall investigate the matter, including with reference to their business records, and shall determine whether the person is a Class Member. Then, within ten (10) days of receipt of such notice, Loop shall notify the Class Administrator and Class Counsel as to its determination of the person's status as a Class Member. Loop's determination in such regard shall control. If the person is determined to be a Class Member, the Class Administrator shall mail that person a Notice Packet, whereupon the same procedures for submitting Class Member Objections, Opt-Out Requests, and Disputes set

forth in this Agreement shall apply to such person.

- (e) Named Plaintiff hereby agrees that she will not submit a Class Member Objection or an Opt-Out Request. Any submissions by Named Plaintiff purporting to be a Class Member Objection or an Opt-Out Request shall be null and void.
- (f) No determinations by Loop, the Class Administrator, the Court, or any other person or entity pursuant to this Section II.7 shall have the effect of increasing the amount of the Gross Settlement Amount. Rather, any additional amounts to be distributed to any Class Member as a result of the resolution of such disputes shall be made in conjunction with and subject to a proportionate reduction in other Eligible Class Members' Eligible Class Member Shares, with specific amounts to be determined by the Class Administrator.
- 8. <u>Class Administration Procedures Class Administrator Declaration</u>. Within ten (10) days of the expiration of all the time periods provided for in Sections II.5 through II.7 above, the Class Administrator shall provide Class Counsel and Loop's Counsel with the Class Administrator Declaration. Should the Class Administrator be unable to provide the Class Administrator Declaration at such time, it shall forthwith notify Class Counsel and Loop's Counsel, who shall cooperate with the Class Administrator to forthwith remedy any such inability.
- 9. Motion for Final Approval. By the later of (a) ten (10) days of Class Counsel's receipt of the declaration required of the Class Administrator by Section II.8 above; or (b) sixteen (16) court days prior to the Final Approval Hearing, Class Counsel shall file and serve upon Defendants and the Class Administrator a motion for Final Approval, and shall include the Class Administrator's declaration with such filing. Should the date of Class Counsel's receipt of the Class Administrator Declaration be less than ten (10) days prior to the court day that is sixteen (16) court days prior to the Final Approval Hearing, Class Counsel shall make reasonable efforts to file its motion for Final Approval not later than sixteen (16) court days prior. If Class Counsel is unable to do so, or if Class Counsel otherwise believe based on other circumstances they will not be able to file a timely motion for Final Approval, they shall seek

ex parte or other emergency relief from the Court in the form of shortening of the time for filing and serving the Motion for Final Approval, or re-scheduling of the Final Approval Hearing. Defendants shall cooperate in the seeking and obtaining of such relief.

- 10. Adjustments to Components of Gross Settlement Amount. This Agreement contemplates that future adjustments to the amounts of components of the Gross Settlement Amount listed above may be necessary and/or may be ordered by the Court. Any such future adjustments shall be made only by written stipulation of the Parties or by an order of the Court. Such future adjustments shall not constitute a basis for this Settlement being Void *Ab Initio*, but rather shall be accompanied by adjustments to other components of the Gross Settlement Amount, to avoid any increase in the Gross Settlement Amount. Any adjustments having the effect of increasing the Gross Settlement Amount shall except an increase in class members, at Loop's exclusive option, render this Settlement Void *Ab Initio*.
- 11. <u>Release</u>. The Settlement includes a release of Released Claims against the Released Parties for the Class Period. Each Eligible Class Member shall be deemed, as of the Effective Date, to have provided and to be subject to the release of Released Claims against the Released Parties set forth in herein. Named Plaintiff additionally agrees that as of the Effective Date, Named Plaintiff will be deemed to have provided and to be subject to the General Release in favor of the Released Parties set forth herein.
- 12. <u>Enforcement</u>. This Agreement is enforceable pursuant to California Rule of Court 3.769(h). If any Party is required to seek relief for an alleged breach of this Agreement, the prevailing party shall be awarded its reasonable attorney's fees and costs including, if necessary, attorney's fees in connection with collection efforts or enforcement of the confidentiality provisions of this Agreement; provided however, that the aggrieved Party shall be required to

give notice to the opposing Party and meet and confer regarding the alleged breach before filing any motion, or application for enforcement of, this Agreement.

13. <u>Taxation and Withholding; Settlement Checks</u>.

8

11

10

13

12

1415

1617

18

19

2021

22

23

24

26

25

2728

- (a) Allocation. The Parties agree that 100% of the Net Settlement Amount shall be allocated to penalties, subject to Form 1099 reporting, and that the same allocations shall apply to each of the Eligible Class Member Shares. This allocation is for purposes of this Settlement only. The Class Administrator will pay from the QSF each Eligible Class Member Share.
- (b) Circular 230 Disclaimer. Each of the Parties acknowledges and agrees that (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their respective counsel and/or 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 Circular 230 (31 CFR part 10, as amended); (2) each Party (a) has relied exclusively upon his, her or its own, independent legal and tax advisors 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 Counsel or advisor to any other Party, and (c) is not entitled to rely upon any communication or disclosure by any other Counsel or advisor to any other Party to avoid any tax penalty that may be imposed on that Party; and (3) no attorney or advisor to any other Party has imposed any limitation that protects the confidentiality of any such attorney's or advisor's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement. Neither Class Counsel nor Loop or its Counsel will provide tax or financial advice, and Class Members are advised to seek independent professional advice as to the tax or financial consequences of any payment they receive, or may receive, as Class Members.
- (c) No Effect on Employee Benefits. The Eligible Class Member Shares shall be deemed not to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any employee benefits (e.g., vacations, holiday pay, retirement plans, etc.) of the Eligible Class Members.
 - (d) Non-Negotiated Instruments of Payment. The expiration date of any

instruments of payment issued by the Class Administrator to Eligible Class Members will be one hundred eighty (180) days from the date such instruments are issued and sent. The monies of any such instruments of payment that are not negotiated by Eligible Class Members within one hundred eighty (180) calendar days of the date of mailing of the instruments of payment shall be paid to mutually agreed upon cy-pres organization which supports "projects that will benefit the class or similarly situated persons, or that promote the law consistent with the objectives and purposes of the underlying cause of action, to child advocacy programs, or to nonprofit organizations providing civil legal services to the indigent" pursuant to Cal. Code. Civ. Proc. § 384.

- 14. Loop's Payment of the Settlement Payment Amount. Upon the Effective Date, the Class Administrator shall forthwith establish all financial accounts necessary to establish the Qualified Settlement Fund, and shall promptly notify Defendants' Counsel and Class Counsel by email that such accounts have been established and of the payment details necessary to fund the Qualified Settlement Fund. Within thirty (30) business days of the Loop's receipt of such notice from the Class Administrator, and provided that the Effective Date has occurred, Loop shall make such payment, not to exceed, in aggregate, the Settlement Payment Amount,. Within ten (10) days after all funds necessary to fully fund the Qualified Settlement Fund are in the accounts established by the Class Administrator and are available for disbursement, the Class Administrator shall disburse, pursuant to this Settlement and other applicable law, the corresponding Eligible Class Member Shares to each Eligible Class Member, as well as the Named Plaintiff's Enhancements, the Class Administration Costs, and the Class Counsel Fees and Costs. The Class Administrator shall promptly notify Class Counsel and Loop's Counsel by email that such disbursements and submissions have been made.
- 15. <u>Cooperation and Reasonable Modifications</u>. The Parties and their respective counsel will cooperate reasonably and in good faith for the purpose of achieving occurrence of the conditions set forth in this Agreement, including without limitation, timely filing of all motions, papers and evidence necessary to do so, and refraining from causing or encouraging

Class Member Objection or Opt-Out Request, or any appeal or petition for writ proceedings seeking review of any order or judgment contemplated by the Settlement. This Agreement contemplates that the Court and the Parties may make reasonable modifications to the Agreement in order to effect its essential terms and to obtain Preliminary Approval and Final Approval. Such modifications shall not render this Agreement Void *Ab Initio*, but rather the Parties shall stipulate to such reasonable modifications and take all necessary steps to give them effect. Any increase in the Gross Settlement Amount shall not be deemed to be a reasonable modification and shall render this Agreement Void *Ab Initio* except upon signed, written agreement of Loop.

- 16. Warranty of Authority. The undersigned each represent and warrant that each has authority to enter into this Settlement, and that by doing so they are not in breach or violation of any agreement with any third parties. The Parties further agree that the Actions shall be stayed in all respects until the final payment called for by this Settlement is made pending the occurrence or failure of the Effective Date, except for the purpose of filing motions for Preliminary Approval and Final Approval.
- 17. <u>Dismissal of Claims as to Applicant with Hallcon</u>. The Settlement is limited to the claims of Class Members and does not include any claims asserted by employees or applicants for positions at Hallcon, who never applied for employment at Loop. To the extent that the Action originally included claims asserted on behalf of applicants of Hallcon who did not apply for any position at Loop, as to these individuals, Plaintiff in connection with the preliminary approval motion will move the court to dismiss their claims without prejudice.
- 18. Other Actions Enjoined. Defendants shall have the right to request, and Named Plaintiff nor his Counsel will not oppose, that the Court enter an order that pending Final Approval, Class Members who do not opt-out of the Settlement are barred from instituting or prosecuting any claims or actions against the Released Parties which fall within the definition of the Released Claims and that any pending actions against the Released Parties, whether in

court or arbitration, are stayed on an interim basis only as to any claims which fall within the definition of the Released Claims.

19. <u>Notices to Counsel</u>. All notices, requests, demands and other communications required or permitted to be given pursuant to this Agreement shall be in writing and shall be delivered personally or mailed, postage prepaid, by first-class United States mail, to the undersigned persons at their respective addresses as set forth herein (and, to the extent notice by email is called for, the below email addresses shall be used:

Counsel for Loop:
Boris Sorsher (SBN 251718)
E-Mail: <u>bsorsher@fisherphillips.com</u>
FISHER & PHILLIPS LLP
2050 Main Street, Suite 1000
Irvine, California 92614
Telephone: (949) 851-2424
Facsimile: (949) 851-0152

20. Entire Agreement. This Agreement embodies the entire agreement of all the Parties hereto who have executed it and supersedes any and all other agreements, understandings, negotiations, or discussions, either oral or in writing, express or implied, between the Parties to this Agreement. The Parties to this Agreement each acknowledge that no representations, inducements, promises, agreements or warranties, oral or otherwise, have been made by them, or anyone acting on their behalf, which are not embodied in this Agreement; that they have not executed this Agreement in reliance on any representation, inducement, promise, agreements, warranty, fact or circumstances, not expressly set forth in this Agreement; and that no representation, inducement, promise, agreement or warranty not contained in this Agreement including, but not limited to, any purported settlements, modifications, waivers or terminations of this Agreement, shall be valid or binding, unless executed in writing by all of the Parties to this Agreement. This Agreement may be amended, and any provision herein waived, but only in writing, signed by the Party against whom such an amendment or waiver is

1	sought to be enforced.		
2	21. Arbitration. Nothing in this Agreement shall be construed or deemed to result in		
3	a waiver of any right to arbitrate or to compel arbitration as to any claims other than the		
4	Released Claims of Eligible Class Members.		
5	22. Counterparts. This Agreement may be executed in counterparts by way of true		
6	and correct copies (including. pdf's or other electronic images) of signatures, each of which		
7	shall have the same force and effect as an original, and all of which together shall constitute		
8	one and the same instrument.		
9	Respectfully submitted.		
10			
11	DATE: McIntee, Jill FISHER & PHILLIPS LLP		
12			
13	By:		
14	BORIS SORSHER VICTOR T. XU		
15	Attorneys for Defendants HALLCON CORPORATION and		
16	LOOP TRANSPORTATION INC.		
17			
18	DATE: McIntee, Jill SETAREH LAW GROUP 05/31/2022		
19	By: Shaun Setareh		
20	By: SHAUN SETAREH		
21	THOMAS SEGAL Attorneys for Plaintiff		
22			
23	DATE: McIntee, Jill		
24			
25	By:FOR LOOP TRANSPORATION		
26			
27			
28			

1	DATE: McIntee, Jill
2	05/31/2022
3	By: Marcell Lewis MARCELL LEWIS
4	MARCELL LEWIS
5	
6	
7	
8	
9	
10	
11	
12	
13	
14 15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
26	
27	
28	
	23
	STIPLII ATION OF SETTI EMENT AND RELEASE

STIPULATION OF SETTLEMENT AND RELEASE

FP 43986620.1

PROOF OF SERVICE

2	(CCP § 1013(a) and 2015.5)		
3	I, the undersigned, am employed in the County of Orange, State of California. I am over the age of 18 and not a party to the within action; am employed with Fisher & Phillips LLP and my business address is 2050 Main Street, Suite 1000, Irvine, California 92614.		
5	On July, 2021, I served the foregoing document entitled McIntee, Jill on all the appearing and/or interested parties in this action by placing \Box the original \boxtimes a true copy thereof enclosed in sealed envelope(s) addressed as follows:		
6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Shaun Setareh, Esq.		
25	By:		
26	Print Name Signature		
27	55240.0008		
28			
	1		

PROOF OF SERVICE

"EXHIBIT A"

NOTICE OF CLASS ACTION SETTLEMENT

Lewis v. Hallcon Corporation, et al.
Superior Court of the State of California, County of Alameda
Case No.: RG20063002

If, at any time from April 1, 2016 to March 31, 2022, you applied for employment with LOOP TRANSPORTATION, INC., and LOOP TRANSPORTATION, INC. procured a background check report on you for employment purposes, the above-titled class action lawsuit may affect your rights, and you may be entitled to a payment under the proposed settlement (the "Settlement") described below.

You are <u>not</u> being sued. A court authorized this notice. This is <u>not</u> a solicitation from a lawyer.

PLEASE READ THIS NOTICE CAREFULLY. IT CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS.

- This is a class action lawsuit that involves a class defined as "all current, former, and prospective applicants for employment who applied for a job with Loop at any time during the Class Period."
- Plaintiff in this class action, Marcell Lewis ("Plaintiff") alleges that LOOP TRANSPORTATION, INC. ("Defendant" [or "Loop"]) acquired consumer, investigative consumer, and/or consumer credit reports to conduct background checks on Plaintiff and other prospective current and former applicants for employment purposes without providing proper disclosures and obtaining proper authorization in violation of the Fair Credit Report Act.
- Loop denies Plaintiff's claims and asserts that it has complied with all of its legal obligations to applicants and its employees.
- There has been a Settlement that affects your legal rights. Although the Court has authorized the Parties to provide this notice of the proposed settlement, the Court has expressed no opinion on the merits of Plaintiff's claims or Loop's defenses.
- You have a number of options available to you:

DO NOTHING	By doing nothing, you will receive a share of the settlement proceeds,	
	and you will give up any rights to sue Loop and Released Parties	
	separately regarding all claims and causes of action of whatever kind or	
	nature that are alleged, related to or that reasonably could have arisen out	
	of the same facts alleged in this class action.	

ASK TO BE EXCLUDED (OPT OUT)	Get out of this lawsuit. Get no benefits from the Settlement. Keep all your rights. If you ask to be excluded, you will not receive a share of the Settlement proceeds, but you will keep any rights you may have to sue Loop and the Released Parties separately about the same legal claims alleged in this lawsuit.
OBJECT	Object to the terms of this Settlement.

Your options are explained in this Notice.

To opt out of or object to the Settlement, you must act by forty-five (45) days after the date this Class Notice was mailed.

1. Why did I get this notice?

A Settlement has been reached in a class action lawsuit that was brought on behalf of a class of people defined as "all current, former, and prospective applicants for employment who applied for a job with Loop at any time during the Class Period"

You have received this notice because Loop's records indicate that you are a member of this class.

2. What is this lawsuit about?

In this class action lawsuit, Plaintiff alleges on behalf of herself and a putative nationwide and California class the following claims against Loop: (1) violation of 15 U.S.C. §§ 1681b(b)(2)(A) (Fair Credit Reporting Act). The class action lawsuit asserts claims for statutory damages, punitive damages, restitution, injunctive and equitable relief, and attorneys' fees and costs.

Loop denies Plaintiff's claims, and asserts that it has complied with all of its legal obligations to applicants and its employees.

3. Has the Court decided who is right?

No. The Court has made no decision regarding the merits of Plaintiff's allegations or Loop's defenses.

4. Why did this case settle?

The Parties reached a Settlement in order to avoid the risk and expense of further litigation. Plaintiff and her attorneys believe the Settlement is fair, adequate and in the best interest of the class members to whom it applies given the outcome of their investigation, the consumption of time and resources required in connection with further litigation, and the uncertainty in the law governing some of the claims presented. Although Loop disputes Plaintiff's claims and asserts it has complied with all of its legal obligations towards applicants and its employees, it has also concluded that further litigation would be protracted, expensive, and would also divert resources and management and employee time.

5. What are the terms of the settlement and how much will I receive?

Subject to final Court approval, Loop will pay \$300,000 (the Gross Settlement Amount) for: (a) Settlement Payments to Participating Class Members; (b) the Court-approved Class Counsel's fees and costs; (c) the Court-approved Service Payment to the Class Representative; and (d) the Settlement Administration Costs.

<u>Participating Class Member Settlement Payments</u>. After deductions from the Gross Settlement Amount for attorneys' fees and costs, the Service Payment to the Class Representative, and the Settlement Administration Costs, there will be a Net Settlement Amount. From the Net Settlement Amount, Defendant will make a pro-rata payment (Settlement Payment) to each Class Member who does not opt out of the Settlement Class.

While the precise amount of your Settlement Payment is not known at this time, if Defendant procured or caused to be procured a background check on you from April 1, 2016 to March 31, 2022, your estimated Settlement Payment is \$162.73.

None of the Parties or attorneys makes any representations concerning the tax consequences of this settlement or your participation in it. Class Members should consult with their own tax advisors concerning the tax consequences of the settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

If Notice to a Class Member was returned as undeliverable, and if the Settlement Administrator cannot locate a valid address for a Class Member with reasonable efforts, the Class Member will not be mailed a check.

Class Counsel Attorneys' Fees and Costs, Service Payment to Class Representative, and Administrative Costs. Class Counsel will ask the Court for an award of reasonable attorneys' fees up to one-third of the Gross Settlement Amount and reasonable litigation costs. Call Counsel will also ask the Court to authorize a service payment to Class Representative in an amount not to exceed \$5,000, in addition to the Class Representative's portion of the Net Settlement Amount. The costs of administering the Settlement are estimated to be \$8,895.

6. What do I have to do to receive a share of the Settlement?

If you wish to receive a payment under the terms of this Settlement, you do not have to do anything. However, it is advisable to confirm your current mailing address with the Settlement Administrator in order to ensure you receive your settlement share. You will be covered by the release summarized in Section 7, below.

7. What claims are being released by the proposed Settlement?

Upon entry of Final Approval Order and Judgment, Plaintiff and all other Participating Class Members in the FCRA Class shall be deemed to have released their respective Released Claims against the Released Parties as follows: "any and all facts and claims asserted in the Action or any

other claims, demands, obligations, actions, causes of action, liabilities, debts, promises, agreements, attorneys' fees, losses or expense, known or unknown, suspected or unsuspected, filed or unfiled, that they may have or had arising out of any known or unknown fact, condition or incident occurring prior to the date of this Settlement, that could have been asserted in the Action, including any and all claims for FCRA statutory or actual damages and penalties or any state corollary to the FCRA."

"Released Parties" means Defendants, their parents, subsidiaries, affiliates, insurers, related entities and divisions, and its and their respective: (i) predecessors, successors, and assigns, and (ii) current and former agents, heirs, executors, administrators, principals, officers, directors, shareholders, employees, founders, members, assigns, insurers, attorneys, and all other claiming through and by any of them, including Hallcon Corporation.

8. What if I do not wish to be involved?

If you do not wish to participate in the Settlement, you may opt out of the Settlement – i.e., exclude yourself from it – by submitting a Request for Exclusion. If you opt out of the Settlement by doing so, you will receive no money from the Settlement, and you will not be bound by its terms.

To opt out, you must submit a Request for Exclusion by First-Class Mail postmarked no later than forty-five (45) days after the date this Class Notice was mailed.

A Request for Exclusion is a letter or written request to the Settlement Administrator that includes: (1) your name; (2) your address; (3) your telephone number; and (4) your signature; and (4) the following statement, or something similar to: "I request to be excluded from the class action proceedings in the matter of *Lewis v. Hallcon Corporation*, *et al.*, Case No. RG20063002, pending in the California Superior Court, County of Alameda."

If you do not submit a valid and timely executed Request for Exclusion (as evidenced by the postmark,) your Request for Exclusion will be rejected, and you will be a member of the Settlement Class and will be bound by all the terms of the Settlement and any judgment entered once the Settlement is finally approved by the Court.

The address for the Settlement Administrator is [SETT. ADMIN. ADDRESS].

9. What if I have an objection?

If you have not submitted a Request for Exclusion and believe the Settlement should not be finally approved by the Court for any reason, you may object to the Settlement. To object to the Settlement in writing, you must submit by First-Class Mail a written objection to the Settlement Administrator postmarked by forty-five (45) days after the date this Class Notice was mailed that includes: (1) your name; (2) your signature; (3) only the last four digits of your Social Security Number; (4) the reasons for the objection; (5) whether you intend to appear at the Final Approval Hearing; and (6) identification of the case: *Lewis v. Hallcon Corporation, et al.*, Case No. RG20063002, pending in the California Superior Court, County of Alameda.

The Settlement Administrator shall forward copies of any written objections to Class Counsel and Defendant's Counsel within three (3) days of receipt. Class Counsel shall submit copies of any objections received to the Court in conjunction with the filing of the motion for Final Approval of the Settlement.

However, even if you do not timely submit a written objection using the above procedure, you may still submit an objection directly to the Court by appearing at the Final Approval Hearing.

The address for the Settlement Administrator is [SETT. ADMIN. ADDRESS].

Even if you submit an objection, you will be bound by the terms of the Settlement unless the Settlement is not finally approved by the Court.

10. Do I need a lawyer?

You do not need to hire your own lawyer, because Class Counsel is working on your behalf. However, if you want your own lawyer, you are free to hire one at your own expense.

Class Counsel

Shaun Setareh Thomas Segal SETAREH LAW GROUP 9665 Wilshire Boulevard, Suite 430 Beverly Hills, CA 90212

Telephone: (310) 888-7771

11. What happens next in the case?

The Settlement has only been preliminarily approved by the Court. The Court will hold a hearing in Dept. 21 of the Alameda County Superior Court, 1221 Oak Street Oakland, on [Final Approval Hearing Date], at [Time] (Pacific Time), to consider any objections and determine whether the settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's requests for attorneys' fees and costs, the Service Payment to the Class Representatives, and the Settlement Administration Costs. The hearing may be continued without further notice to you. It is not necessary for you to appear at this hearing.

12. How can I receive more information?

If you still have further questions regarding this Notice, they should be directed to the Settlement Administrator at [SETT. ADMIN. PHONE] or to Class Counsel at the addresses listed above in this Notice.

Please do NOT telephone the Court, the Office of the Clerk, or Loop for information regarding this Settlement.

eSignature Details

wjLxLg2P21qvSSqZdZhnjMRo Shaun Setareh shaun@setarehlaw.com 104.180.15.40 Feb 21 2023, 5:03 pm PST

Signer ID: Signed by: Sent to email: IP Address: Signed at:

1	PROOF OF SERVICE
2 3 4	I am a citizen of the United States and am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 9665 Wilshire Boulevard, Suite 430 Beverly Hills, CA 90212.
5	On February 22, 2023, I served the foregoing documents described as:
6 7	DECLARATION OF SHAUN SETAREH IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT AND CERTIFICATION OF SETTLEMENT CLASS
8	in this action by transmitting a true copy thereof addressed as follows:
9 10 11 12 13 14 15	Boris Sorsher bsorsher@fisherphillips.com Victor T. Xu vxu@fisherphillips.com FISHER & PHILLIPS LLP 2050 Main Street, Suite 1000 Irvine, CA 92614 Counsel for Defendants HALLCON CORPORATION and LOOP TRANSPORTATION, INC.
16 17	[X] BY E-MAIL OR ELECTRONIC TRANSMISSION
18 19 20	Based on a Court order or on an agreement by the parties to accept service by e-mail or electronic transmission, I caused the document(s) described above to be sent to the person(s) listed at the address listed above. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.
21	[X] <u>STATE</u> I declare under penalty of perjury under the laws of the State of California that the above is true and correct.
22 23	Executed on February 22, 2023, at Beverly Hills, California.
24	
25	/s/ Wendy Sarabia
26	Wendy Sarabia
27 28	
۵	