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This Class Action Settlement Agreement (hereinafter "Settlement" or "Settlement Agreement") is entered into by and between Kellen Shaw, individually and on behalf of all others similarly situated (collectively, "Plaintiffs"); and Defendant AT&T Mobility Services LLC ("Defendant"). This Agreement refers to Plaintiffs and Defendant collectively as the "Parties."

Subject to Court approval, Plaintiffs and Defendant agree to settle the Action on the terms and conditions and for the consideration set forth in this Settlement Agreement.

DEFINITIONS

For purposes of this Settlement Agreement, the following terms will have the defined meanings:

- 1. "Action" means the civil action entitled Natasha Ayala, et al. v. AT&T Mobility Services, LLC, et al., pending before the United States District Court for the Central District of California (the "Court"), Case No. 2:18-cv-08809-FLA-MRW.
- 2. "Class Members" means all current and former hourly non-exempt employees who worked for AT&T Mobility Services LLC at any call center in the State of California at any time from August 22, 2014, to July 31, 2015, and received commission payments.¹
- 3. "Class Counsel" means David P. Myers, Robert M. Kitson, and Jason Hatcher of The Myers Law Group, A.P.C.
- Covered Claims" means the putative class claims alleged in this case for the Covered Period.
 - "Covered Period" means August 22, 2014, to July 31, 2015.
- "Defense Counsel" means Raymond W. Bertrand and James P. de Haan of Paul Hastings LLP.
 - 7. "Effective Date" means the date on which this Settlement is deemed

¹ Excluded from this Class definition is Natasha Ayala.

final. If no objection is filed to the Settlement from a Class Member, or if an objection to the Settlement is filed by a Class Member who lacks standing to object, then the Settlement is final on the date the Court grants final approval of the Settlement. In the event a Class Member with standing files a timely objection to the Settlement that is overruled by the Court, then the Settlement is final once the time for the filing of any appeal from the Court's judgment approving this Settlement expires, assuming no timely appeal is filed by that objecting Class Member. In the event a Class Member with standing files a timely objection to the Settlement that is overruled by the Court, and that Class Member files a timely appeal from the judgment approving the Settlement, then the Settlement is final on the date the appeal is dismissed or withdrawn; or is final after final affirmation of the judgment on appeal if the appeal is not dismissed or withdrawn.

- 8. "Gross Settlement Amount" means the Gross Settlement Amount that Defendant will be obligated to pay in connection with the Settlement, which is \$150,000. This sum will include all payments made to Settlement Group Members, the Service Payment to Shaw, all settlement administration costs, all Class Counsel's attorneys' fees and costs.
- "Class Settlement Share" means each Class Member's share of the Net
 Settlement Amount as provided by this Agreement.
- 10. "Net Settlement Amount" means the amount remaining after deduction from the Gross Settlement Amount for Shaw's Service Payment, Class Counsel's Attorneys' Fees and Litigation Expenses, and the Settlement Administrator's fees and expenses. The Net Settlement Amount will be distributed to Class Members as described in Paragraph 26(a).
- "Non-Covered Claims" means the putative class claims alleged in this
 case for the period of time after the Covered Period.
- 12. "Opt-Out Period" means the 30-day period following the date the Settlement Administrator mails the Notice of Settlement to the Class Members.

13. "Settlement Administrator" means Atticus Administration, the settlement administrator proposed by the Parties, subject to approval by the Court, to administer the Settlement.

BACKGROUND

- 14. On August 22, 2018, Ayala submitted a written notice to the California Labor and Workforce Development Agency (the "LWDA") and Defendant of her intent to file a civil action to enforce her rights, and the rights of other allegedly aggrieved current and former non-exempt employees who performed work for Defendant in California Call Centers and received commission payments, under PAGA.
- 15. That same day, Ayala also filed a complaint against Defendant in the Superior Court for the State of California, County of Los Angeles, on behalf of herself and all others similarly situated. ECF No. 1-4. Defendant removed to the Central District of California on October 12, 2018. Ayala then amended the complaint on December 10, 2018 to add a cause of action under PAGA. ECF No. 14.
- 16. Defendant answered on January 9, 2019. ECF No. 17. The Parties then spent the next five months engaged in substantial written discovery; ultimately exchanging over 2,000 pages of documents. Plaintiffs also deposed two of Defendants' employees in March 2019, while Defendant deposed Natasha Ayala on April 9, 2019.
- 17. Ayala initially moved for class certification on April 1, 2019. ECF No. 28. Defendant opposed on April 22. ECF No. 35. However, on April 26, the Court granted Ayala leave to file a Second Amended Complaint, which included (1) a new cause of action for alleged meal period premium payment violations; and (2) new

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27 28 claims recently exhausted through a supplemental PAGA notice Ayala filed on December 3, 2018. ECF No. 37. The Court thus denied the pending motion for class certification as moot. Id.

- 18. Ayala filed her Second Amended Complaint on April 29, 2019. ECF No. 38. Defendant answered on May 20. ECF No. 39. Ayala filed a renewed motion for class certification on June 3, 2019 which Defendant (again) opposed. ECF Nos. 40-42, 45-46.
- 19. On September 25, 2019, this Court denied Ayala's motion for class certification on adequacy grounds without prejudice. ECF No. 51. Ayala thus filed a Third Amended Complaint on October 16, 2019, which added Kellen Shaw as a newly named plaintiff and the proposed class representative. ECF No. 52. Ayala would remain, though only as California's representative under PAGA. Id.
- 20. On October 9, 2019, California's Second Appellate District published Ferra v. Loews Hollywood Hotel, LLC, 40 Cal. App. 5th 1239 (2019)—rejecting the very theory underlying Plaintiffs' meal period premium claim. Defendant thus intended to file a motion to dismiss based, in part, on Ferra. But after meeting and conferring about the motion, the Parties agreed to postpone proceedings until 7 days after Ferra became final. ECF No. 54. If California's Supreme Court affirmed Ferra, Plaintiffs would amend their complaint accordingly.
- 21. California's Supreme Court overturned Ferra on July 15, 2021. 11 Cal. 5th 858 (2021). The Parties thus proceeded with the operative Third Amended Complaint, against which Defendant filed motions to dismiss and strike on September 29. ECF No. 62, 65. Plaintiffs opposed. ECF No. 63. Those motions remained pending as of the date the Parties agreed to resolve this matter.
- The operative Third Amended Complaint thus presently alleges that Defendant (a) failed to pay its employees for all hours worked, including all overtime and double time wages; (b) omitted certain types of remuneration from its regular rate of pay calculations; (c) failed to provide rest periods; (d) failed to pay employees

- 23. While this matter was pending, Defendant settled Samuel Wallack, et al. v. AT&T Mobility Services, LLC (Case No. CVISB2117915)—a separate class and representative action pending before the Hon. David Cohn of the Superior Court of California, County of San Bernardino and asserting the same claims as alleged here.² On November 1, 2021, the Wallack Court preliminarily approved the pending settlement, which covers "[a]Il persons who worked for AT&T Mobility Services LLC in the State of California, while classified as non-exempt, at any time from August 1, 2015 to November 1, 2021."
- 24. The Wallack Settlement included a PAGA action settlement that covers the same claims as alleged here for the period of August 1, 2015 to November 1, 2021.
- 25. On March 18, 2022, the Hon. David Cohn, Granted final approval of the Wallack Class Action and PAGA Action Settlement and entered Judgment for the same.
- 26. The only remaining claims in this matter are those accrued by Class Members between August 22, 2014 to July 31, 2015 as they fall outside the scope of the Wallack Settlement.

² On July 22, 2021, AT&T filed a Notice of Pendency of Other Actions or Proceedings disclosing *Wallack* (and other matters) as involving all or a material part of the subject matter of this Action within the meaning of Central District of California Local Rule 83-1.4. ECF No. 58.

- 27. The Parties have turned their attention towards fully, finally, and forever settling the claims that will remain in this Action post-Wallack.
- 28. The Parties agree to cooperate and take all steps necessary and appropriate to consummate this Settlement. The Parties agree the Settlement is fair, adequate and reasonable. This Settlement contemplates (1) entry of an Order Preliminarily Approving the Settlement and Settlement Procedure; (2) distribution to the Settlement Group Members a Notice of Proposed Class Action Settlement and Final Approval Hearing (attached as Exhibit "A") (the "Class Notice Packet"); (3) entry of an Order Granting Final Approval of the Settlement in the Actions and ending the litigation. All proposed orders noted above comply with Section 8 of the Hon. Fernando L. Aenlle-Rocha's Initial Standing Order. ECF No. 56. Per the Initial Standing Order, Plaintiffs will also provide this Court with copies of the proposed orders in Word format on the day the document is e-filed.

MONETARY SETTLEMENT TERMS

- 29. **Gross Settlement Amount**. Defendant will pay a non-reversionary Gross Settlement Amount of \$150,000.00 in exchange for the Release of Claims in this Action set forth below. In no event will Defendant be required to pay more than the Gross Settlement Amount, except for the employer's share of payroll taxes, which Defendant will pay separately from and in addition to the Gross Settlement Amount.
- 30. Class Counsel's Attorneys' Fees and Litigation Expenses. Plaintiff consents to, and Defendant will not oppose, an application to the Court for attorney's fees in amount equal to 33.33% of the Gross Settlement Amount (\$50,000.00), payable by wire to The Myers Law Group, A.P.C. from the Gross Settlement Amount. Defendant will also not oppose Class Counsel's application to the Court for reimbursement of litigation expenses, payable by wire to The Myers Law Group, A.P.C. from the Gross Settlement Amount, in an amount up to \$7,500.00. Class Counsel agrees that any motions filed for fees and costs will comply with Section 7(e) of the Hon. Fernando L. Aenlle-Rocha's Initial Standing Order. ECF No. 56.

The Settlement Administrator (and not Defendant) will issue IRS Form 1099-MISC reflecting the award of attorney's fees and litigation expenses. Defendant's payment of the Court-awarded attorney's fees and litigation expenses will constitute full satisfaction of Defendant's obligation to pay any person, attorney or law firm for attorney's fees, costs, and expenses incurred on behalf of the Plaintiffs and/or Class Members in this Action. Should the Court award Class Counsel's Attorneys' Fees and Litigation Expenses in an amount less than allocated in this Settlement the difference will be allocated to the Net Settlement Amount to be distributed to the Class Members.

- 31. Service Payment to Shaw. Defendant will not oppose Shaw's application to the Court for service payment of \$5,000.00, to be paid out of the maximum Gross Settlement Amount. The Settlement Administrator (and not Defendant) will issue an IRS Form 1099-MISC to Shaw reflecting her Service Payment. The failure of the Court to award a service payment to Shaw will not constitute grounds for rescission of this Settlement Agreement. The Settlement Administrator will make the service payment at the same time as it makes the individual payments to the other Class Members. Should the Court fail to award the full amount of the service payment requested by Shaw, any portion that is not awarded will revert back to the Gross Settlement Amount. Should the Court award a Service Payment to Shaw in an amount less than allocated in this Settlement the difference will be allocated to the Net Settlement Amount to be distributed to the Class Members.
- 32. Settlement Administration Fees and Expenses. Defendant agrees to pay Settlement Administrator, as part of the Gross Settlement Amount, for its fees and expenses incurred in administering this Settlement, in an amount estimated to be \$12,000.00. Should the Court award Settlement Administration Fees and Expenses in an amount less than allocated in this Settlement the difference will be allocated to the Net Settlement Amount to be distributed to the Class Members.

- 34. **Tax Treatment.** Twenty-Five Percent (25%) of the Class Member Payment constitutes wages for the purposes of IRS reporting, and will be reported to the IRS pursuant to form W-2, while the other Seventy-Five Percent (75%) constitutes payments for non-wage penalties, damages, and interest and will reported to the IRS pursuant to form 1099.
- 35. Impact on Benefits. The payments made pursuant to this settlement will not have any effect on the eligibility or calculation of any employee benefits provided by any Released Party. The Parties agree these payments do not represent any modification of any employee's previously-credited hours of service or other eligibility criteria under any employee pension benefit plan, employee welfare benefit plan, or other program or policy. These payments also will not be considered wages, compensation, or annual earnings for benefits in any year for purposes of determining eligibility for, or benefit accrual within, any employee pension benefit plan, employee welfare benefit plan, or other program or policy.

THE RELEASES

36. **Kellen Shaw**. In consideration of the Service Payment to Shaw, her Settlement payments, and the other terms and conditions of the Settlement, Kellen Shaw hereby releases any and all of her known and unknown claims against Defendant and any of Defendant's present and former parents, subsidiaries and affiliated companies or entities, and their respective officers, directors, employees,

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partners, shareholders and agents, and any other successors, assigns and legal representatives and its related persons and entities ("Released Parties"), and waives the protection of California Civil Code section 1542. Shaw understands and agrees that this release includes a good-faith compromise of disputed wage claims.

Class Members. Upon the Court's final approval of this Settlement, the Class Members (other than those who timely and validly elected not to participate in the Settlement) fully release and discharge Defendant and the Released Parties of any and all known and unknown Covered Claims as alleged in, and that could have been reasonably alleged based on the facts of, the operative Third Amended Complaint, for the Covered Period. This includes, but is not limited to, statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs or expenses, penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief, arising out of or based upon any provision of the California Labor Code, California Industrial Welfare Commission Wage Orders, and California Business and Professions Code § 17200, et seq.; including, without limitation, the following categories of allegations, to the fullest extent such claims are releasable by law: (a) all claims for failure to pay wages, including overtime premium pay and the minimum wage; (b) all claims for the failure to provide meal and/or rest periods in accordance with applicable law, including payments equivalent to one hour of the employee's regular rate of pay for missed meal and/or rest periods and alleged non-payment of wages for meal periods worked and not taken; (c) all claims for the alleged omission of any kind of remuneration when calculating an employee's regular rate of pay; and (d) any and all claims for pay stub violations, claims for timely payment of wages and associated penalties, and all other non-PAGA civil and statutory penalties based on the Covered Claims. The Class Members understand and agree that this release includes a good-faith compromise of disputed wage claims. This release does not apply to or cover the Non-Covered Claims or the PAGA claim.

38. **Dismissal Without Prejudice.** Given the overlap from the *Wallack* Settlement upon the class and PAGA claims in this case, upon the Effective Date, the Non-Covered Claims and the PAGA claim will be Dismissed Without Prejudice. Should any putative class member in this case who did not opt-out of the *Wallack* Settlement, the LWDA, or aggrieved employee attempt to pursue these Non-Covered Claims and a PAGA claim, then Defendant and the Released Parties retain the right to attempt to use the *Wallack* Settlement as collateral estoppel or res judicata. This Settlement does not bar any putative class member from this case, who opted-out of the *Wallack* Settlement, to pursue the Non-Covered Claims in a separate action.

SETTLEMENT APPROVAL, NOTICE AND IMPLEMENTATION PROCEDURE

39. Motion for Preliminary Approval.

- a. As soon as practicable, Class Counsel will submit this Settlement Agreement to the Court for its preliminary approval; and Plaintiff Shaw will file a motion (the "Motion for Preliminary Approval") with the Court for an order granting Preliminary Approval of the Settlement, conditionally certifying the Class, setting a date for the Final Approval Hearing, and approving the Class Notice and the Class Member Settlement Information Sheet.
- b. Should the Court decline to preliminarily approve all material aspects of the Settlement, or order material changes to the Settlement to which the Parties do not agree, then this Settlement will be—at either Party's discretion and only after meeting and conferring in good faith—null and void, and the Parties will have no further obligations under it with the Parties and case returning to its status before signing the Settlement Agreement. The Parties agree that an award by the Court of lesser amounts than sought for the Service Payment to Shaw or Class Counsel's Attorneys' Fees and Litigation Expenses will not be a material modification of the Settlement.
 - 40. Notice to Class Members. After the Court enters its order granting

- a. Within 21 calendar days after the Court enters its order granting Preliminary Approval of the Settlement, Defendant will provide to the Settlement Administrator an electronic database for the Class Members, containing each Class Member's name and last-known mailing address, telephone number, the Class Member's Social Security number, dates of employment, and number of workweeks during the Covered Period as reflected in Defendant's records (collectively, the "Class Member Data"). If any or all of the Class Member Data are unavailable to Defendant, Defendant will use best efforts to deduce or reconstruct the Class Member Data prior to when it must be submitted to the Settlement Administrator. This information will otherwise remain confidential and will not be disclosed to anyone, except in order to carry out the reasonable efforts described in the Monetary Settlement Terms section, or pursuant to Defendant's express written authorization or by order of the Court.
- b. Within 15 calendar days after receiving the Class Member Data from Defendant, the Settlement Administrator will determine each Class Member's estimated Settlement Share based on the number of workweeks during the Covered Period, and send a Class Notice Packet to each Class Member. The Settlement Administrator will mail this information to all identified Class Members via regular First-Class U.S. Mail, using the mailing address information provided by Defendant, unless modified by any updated address information that the Settlement Administrator obtains in the course of administration of the Settlement. In the event of returned or non-deliverable notices, the Settlement Administrator will make reasonable efforts to locate Class Members and re-send the notices.
 - c. If a Class Notice Packet is returned because of an incorrect

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address, the Settlement Administrator will promptly, and not later than 15 days from receipt of the returned packet, search for a more current address for the Class Member using Accurint or other reasonable and cost-effective skip trace methods, and re-mail the Class Notice Packet to the Class Member. The Settlement Administrator will use the Class Member Data and otherwise work with Defendant to find a more current address. The Settlement Administrator will be responsible for taking reasonable steps, consistent with its agreed-upon job parameters, court orders, and fee, as agreed to with Class Counsel and according to the following deadlines, to trace the mailing address of any Class Member for whom a Class Notice Packet is returned by the U.S. Postal Service as undeliverable. These reasonable steps will include, at a minimum, the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address; and promptly re-mailing to Class Members for whom new addresses are found. If the Class Notice Packet is remailed, the Settlement Administrator will note for its own records and notify Class Counsel and Defendant's Counsel of the date and address of each such re-mailing as part of a weekly status report provided to the Parties. All counsel of record will be entitled to receive from the Settlement Administrator any updated address information about a Class Member as the Settlement Administrator obtains such information.

- d. Each week, the Settlement Administrator will provide to all counsel of record a report showing whether any Class Notice Packets have been returned and re-mailed and the receipt of any opt-outs to the Settlement.
- e. Not later than 5 days before the date by which Plaintiff will file a motion for final approval of the Settlement, the Settlement Administrator will serve on the Parties and file with the Court a declaration of due diligence setting forth its compliance with its obligations under this Agreement. Prior to the Final Approval Hearing, the Settlement Administrator will supplement

- 41. **Objections to Settlement; Opt-outs from Settlement.** Class Members may submit objections to the Settlement or opt out of the Settlement pursuant to the following procedures:
 - a. Objections to Settlement. Class Members who wish to object to any term of the Settlement must submit his or her objection to the Settlement Administrator, postmarked no later than 30 days after notice of the Settlement was mailed. The objection will indicate whether the Class Member intends to appear at the Final Approval Hearing. To be valid, an objection must include the objector's full name, address, telephone number, and a written statement describing all legal and factual arguments in support of the objection. Class Members who do not submit written objections in the manner and by the deadline specified above will be deemed to have waived any objections and will be foreclosed from making any objections (whether by appeal or otherwise) to the Settlement or other related matters.
 - b. Opt-Out Notice in Settlement. The Class Notice will explain that Class Members may exclude themselves from the Settlement by mailing to the Settlement Administrator a signed Opt Out Notice, postmarked no later than 30 days after the Settlement Administrator first mails the Class Notices to the Class Members at the original addresses provided by Defendant. The Opt-Out Notice must state clearly that the Class Member has received notice of the proposed settlement and wishes to be excluded from the class and to not participate in the proposed settlement. The Opt-Out Notice must be signed by the Class Member and include their printed name, address, telephone number, and AT&T employee identification number or the last four digits of their social security number. The Opt-Out Notice must be mailed, faxed, or hand-delivered to the Settlement Administrator. If a question is raised about the

authenticity of a signed Opt-Out Notice in Settlement, the Settlement Administrator will have the right to demand additional proof of the Class Member's identity. A Class Member who timely submits a valid Opt-Out Notice in Settlement will not participate in or be bound by the Settlement and the Judgment. A Class Member who does not complete and mail a valid Opt-Out Notice in Settlement in the manner and by the deadline specified above will be bound by all terms and conditions of the Settlement, including its release of claims, if the Settlement is approved by the Court, and by the Judgment.

- c. Report. No later than 10 days after the Opt-Out Period, the Settlement Administrator will provide the Parties with a complete and accurate list of the names of all then-identified Settlement Group Members, objectors, and opt-outs.
- 42. **Resolution of Disputes.** If a Class Member disputes the information shown on his or her Class Member Settlement Information Sheet, the Class Member must ask the Settlement Administrator to resolve the matter by returning the sheet with the information that he or she contends is correct and including with the sheet any documentation the Class Member has to support his or her contention. In the event of such a dispute, Defendant will have the right to review its payroll and personnel records to verify the correct information. After consultation with Class Counsel, the Class Member, and Defendant, the Settlement Administrator will make a determination of the correct information, and that determination will be final, binding on the Parties and the Class Member, and non-appealable.
- 43. No Solicitation of Objection, Appeal, or Opt-out. Neither the Parties nor their respective counsel will solicit or otherwise encourage directly or indirectly any Class Member to object to, or opt-out from, the settlement—or move to vacate or appeal the final judgment—of either this Action or the Wallack Action. Plaintiff has opted-out of the Wallack Action and accordingly agrees she will not

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object to the Wallack Settlement or initiate any post-judgment or appellate proceeding, such as a motion to vacate judgment, a motion for new trial, and any extraordinary writ pertaining to the Wallack Settlement.

44. Right of Defendant to Reject Settlement. If 5% or more of the Class Members, or a number of potential Class Members whose Class Settlement Shares represent 5% or more of the total of all Class Settlement Shares, validly elect not to participate in the Settlement, Defendant will have the right to rescind the Settlement, and the Settlement and all actions taken in its furtherance will be null and void.

Additional Briefing and Final Approval.3 45.

- Plaintiff will file a motion for final approval of the Settlement and payment of the Settlement Administrator's reasonable fees and expenses as well as a motion for awards of the Service Payment to Shaw and the Class Counsel's Attorneys' Fees and Litigation Expenses pursuant to this Settlement no later than 28 days before the Final Approval Hearing.
- Either party, or both, may file a reply in support of the motion for final approval of the Settlement, payment of the Settlement Administrator's reasonable fees and expenses to the extent that any opposition to the motion is filed; and Plaintiffs and Class Counsel may file a reply in support of their motions for the Service Payment to Shaw and the Class Counsel Fees and Expenses Payment; no later than 14 days before the Final Approval Hearing,
- If the Court does not grant final approval of the Settlement, or if the Court's final approval of the Settlement is reversed or materially modified on appellate review, then this Settlement will be, at either Party's discretion, null and void. An award by the Court of lesser amounts than sought for the Service Payment to Shaw or Class Counsel's Attorneys' Fees and Litigation Expenses will not be a material modification of the Settlement. However, if

³ The deadlines agreed upon for the Motion for Final Approval follow the requirements set by Central District of California Local Rules 6-1 and 7-10.

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- d. Upon final approval of the Settlement by the Court, the Parties will present to the Court for its approval and entry of Judgment in conformance to the terms of this Agreement and a Dismissal Without Prejudice of the Non-Covered Claims. After entry of the Judgment and Dismissal Without Prejudice of the Non-Covered Claims, the Court will have continuing jurisdiction over the Action and the Settlement solely for purposes of (1) enforcing this Agreement, (2) addressing settlement administration matters, and (3) addressing such post-judgment matters as may be appropriate under court rules or applicable law.
- Waiver of Right to Appeal. Provided that the Judgment is consistent with the material terms of this Agreement Plaintiff, Class Members who did not timely submit an objection to the Settlement and intervene in the Action, Defendant, and their respective counsel hereby waive any and all rights to appeal from the Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate judgment, a motion for new trial, and any extraordinary writ, and the Judgment therefore will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings or post-judgment proceedings, or to file a cross-appeal. This paragraph does not preclude Plaintiff or Class Counsel from appealing from a refusal by the Court to award the full Service Payment to Shaw or the Class Counsel's Attorneys' Fees and Litigation Expenses sought by them. If an appeal is taken from the Judgment, the time for consummating the Settlement (including making payments under the Settlement) will be suspended until such time as their appeal is finally resolved and the Judgment becomes final, as defined in this Agreement.

- 48. Uncashed Checks. A Class Member must cash his or her Class Settlement Share check within 180 calendar days after it is mailed to him or her. If a check is returned to the Settlement Administrator, the Settlement Administrator will make all reasonable efforts to re-mail it to the Class Member at his or her correct address. If any check is not cashed within 180 days after its mailing to the Class Member, the Settlement Administrator will distribute the unclaimed funds represented by the uncashed check to the California State Controller's Office, Unclaimed Property Division in the name of the Class Member, where the Class Member can later claim their funds.
- 49. **Effect of Disapproval, Termination or Cancellation**. In the event that the Court does not grant final approval of the Settlement, or if the Court's final approval of the Settlement is reversed or materially modified on appellate review, then this Settlement will be null and void; if that occurs, the Parties will have no further obligations under the Settlement, including any obligation by Defendant to pay the Gross Settlement Amount.

MISCELLANEOUS SETTLEMENT PROVISIONS

50. Binding Agreement. The Parties intend that this Settlement Agreement

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27 28 will be fully enforceable and binding upon all Parties, and that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding the mediation confidentiality provisions that otherwise might apply under federal or state law.

- 51. Confidentiality of Settlement. The Parties and their counsel agree that they will not issue any press releases or initiate any contact with the media about the fact, amount, or terms of the settlement. If counsel for either party receives an inquiry about the settlement from the media, counsel may respond only after the motion for preliminary approval has been filed and only by confirming the terms of the settlement.
- 52. Subsequent Disputes Regarding Settlement Agreement. The Court will retain jurisdiction over this Settlement. However, any disputes arising out of or relating to this Settlement Agreement will be submitted to a mediator on whom the Parties agree.
- No Waiver. Nothing in this Settlement will serve as a waiver of future rights and this language will be included in the notice sent to Class Members.
- 54. Fair, Adequate, and Reasonable Settlement. The Parties agree that the Settlement is fair and reasonable and will so represent to the Court via the joint motion for preliminary approval agreed to by all Parties. The Parties have agreed to work together expeditiously and cooperatively to obtain preliminary and final approval of this Settlement.
- No Admission of Liability. Neither this Settlement Agreement nor any other documents prepared in connection with this Settlement are in any way an admission of liability by Defendant. Moreover, Defendant denies all liability for any alleged wrongdoing and a statement to this effect will be included in the notice sent to Class Members.
- Certification for Settlement Purposes Only. For the purposes of this settlement only, the Parties stipulate to the certification of the class defined in

Paragraph 2. If the Court does not grant preliminary or final approval of the settlement, this stipulation will have no effect and class certification will automatically be deemed not to have been granted. The Parties agree that this Settlement stipulation is in no way an admission that class certification is proper under the more stringent standard applied for litigation purposes and that this stipulation will not be admissible in this or any other proceeding as evidence that a class should be certified as Plaintiffs propose or that Defendant is liable in any way to Plaintiff or the class that Shaw alleges. Defendant expressly reserves the right to oppose class certification of any purported class should this settlement fail to become final and effective.

- Agreement may be executed in one or more counterparts, and each such counterpart will be deemed an original, but all of which taken together will constitute one and the same Settlement Agreement. The Parties agree that this Agreement may be signed electronically via DocuSign or other electronic signature platform. Any signature pages transmitted via facsimile or via email PDF(s) will be regarded as original counterpart signature pages.
- 58. **Judgment To Be Entered By The Court**. Upon the Court's granting of Final Approval as to the Settlement, the Court will enter final judgment in accordance with the terms of this Settlement Agreement.
- 59. **Authorization**. The signatories to this Settlement Agreement represent they are fully authorized to enter into this Settlement and bind the Parties to the terms and conditions of this Settlement.
- 60. Mutual Full Cooperation. The Parties agree to fully cooperate with each other in good faith to accomplish the terms of this Settlement, including, but not limited to, execution of such documents and taking such other action as reasonably necessary to implement the terms of this Settlement. The Parties will use their best efforts, including all efforts contemplated by this Settlement and any other efforts

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that may become necessary by order of the Court, or otherwise, to effectuate this Settlement.

- 61. No Prior Assignments. The Parties represent, covenant, and warrant 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 right herein released and discharged.
- 62. Applicable Law. This Settlement Agreement is made under and will be governed and construed in accordance with California law. If any civil action is filed to enforce or interpret any term or provision of this Agreement, or otherwise, the appropriate venue will be a state or federal court of competent jurisdiction located in the State of California.
- 63. Construction. The Parties agree the terms and conditions of this Settlement are the result of lengthy, intensive, arms-length negotiations and this Settlement will not be construed in favor of or against any Party by reason of the extent to which any Party or his or its counsel participated in the drafting of this Settlement Agreement.
- Paragraph Titles and Captions. Paragraph titles and/or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement or any provision of this Settlement.
- Modification. This Settlement may not be changed, altered, or 65. modified, except in writing and signed by the Parties, and approved by the Court. This Settlement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties.
- Integration Clause. This Settlement Agreement contains the entire agreement between the Parties relating to the Settlement, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are

- a. **Exclusion.** The Parties agree that the separate settlement agreement between Natasha Ayala and AT&T concerning the release of her individual claims—as well as that agreement's terms—are excluded from this Integration Clause, and thus not merged herein.
- Non-Class Member. The Parties agree that Natasha Ayala is not a Class Member under this Settlement Agreement.
- 67. **Severability**. If any provision of this Agreement is unenforceable, for any reason, the remaining provisions will nevertheless be of full force and effect, subject to the limitations set out in Paragraphs regarding the effect of disapproval, termination, modification or cancellation by the Court of any material term or condition of this Agreement.
- 68. **Binding On Assigns**. This Settlement will be binding on and inure to the benefit of the Parties and their respective predecessors, successors, parents, subsidiaries, affiliates, heirs, trustees, executors, administrators, successors, and assigns and upon any corporate or other entity into or with which any Party hereto may merge, combine or consolidate.
- 69. Class Member Signatories. It is agreed that because the members of the Class are numerous, it is impossible or impracticable to have each Class Member execute this Settlement. The release will have the same force and effect as if this Settlement were executed by each Class Member.

IN WITNESS THEREOF, the Parties knowingly and voluntarily execute this Settlement Agreement as of the date(s) set forth below.

CLASS ACTION SETTLEMENT AGREEMENT

1	KELLEN SHAW
2	*
3	Signature: Date:
4	
5	DEFENDANT AT&T MOBILITY SERVICES LLC
6	T
7	Print Name: Jennifer Asplund Date: 5/18/2022
8	Title: <u>VP – Customer Care</u>
9	DocuSigned by:
10	Signature: Junifer Asplund
11	
12	APPROVED AS TO FORM AND CONTENT:
13	
14	DAVID P. MYERS, JASON HATCHER
15	THE MYERS LAW GROUP, A.P.C.
16	
17	Signature: Date:
18	
19	
20	RAYMOND W. BERTRAND
21	PAUL HASTINGS LLP
22	Signature:
23	Signature: Date: 5/10/122
24	
25	
26	
27	
28	
20	- 22 -
- 1	

CLASS ACTION SETTLEMENT AGREEMENT

Exhibit A

NOTICE OF CLASS ACTION SETTLEMENT

Natasha Ayala, Kellen Shaw v. AT&T Mobility Services, LLC, et al.
United States District Court for the Central District of California Case No. 2:18-cv-08809-FLA-MRW.

PLEASE READ THIS NOTICE CAREFULLY.

A court authorized this notice. This is not a solicitation. This is not a lawsuit against you and you are not being sued. However, your legal rights are affected whether or not you act.

If you were are a current or formerly, hourly, non-exempt employee who worked for AT&T Mobility Services LLC ("AT&T") at any call center in the State of California at any time from August 22, 2014, to July 31, 2015, and received commission payments then you may be entitled to receive money (the "Class" or "Class Members").

1. WHAT IS THE PURPOSE OF THIS NOTICE?

The purpose of this Notice is to let you know that the court has granted preliminary approval of a settlement in a class action lawsuit pending in the United States District Court for the Central District of California Case No. 2:18-cv-08809-FLA-MRW entitled *Natasha Ayala*, et al. v. AT&T Mobility Services, LLC, et al., and that you may be entitled to a payment as part of the settlement.

A hearing addressing the fairness, adequacy, and reasonableness of the settlement will be held on _____ at ___ to determine whether the settlement should receive the Court's final approval.

2. WHAT ARE THE CLASS CLAIMS?

The claims at-issue, cover the period August 22, 2014 to July 31, 2015, and allege AT&T underpaid overtime pay by failing to include all required remuneration in calculating the regular rate of pay for overtime purposes; AT&T failed to provide legally compliant rest periods by requiring on-premise and non-duty free rest periods; AT&T failed to provide accurate wage statements; AT&T failed to pay meal period premiums at the regular rate of pay; and AT&T failed to pay all earned wages timely upon separation in violation of the California Labor Code and Wage Order. The complaint seeks to recover alleged unpaid wages, interest, civil and statutory penalties, and attorneys' fees based on these claims.

After engaging in investigations and litigation to these claims, and subsequent to the class action and Private Attorneys General Act settlement in the related case of *Wallack*, et al. v. AT&T Mobility Services, LLC, San Bernardino Superior Court Case No. CIVSB2117915 ("Wallack Action"), Plaintiff/Class Representative Kellen Shaw ("Plaintiff") and AT&T agreed on a class settlement to resolve the class claims only for the period of August 22, 2014 to July 31, 2015 as alleged in this Action. Plaintiff and AT&T agreed to a settlement to be paid according to the terms set forth below.

AT&T denies these allegations and asserts that, at all times, its actions and business practices have been lawful and appropriate.

The Court has not yet ruled on the merits of the claims. This means that there has been no ruling as to who wins and who loses.

3. WHY DID I GET THIS NOTICE - AM I A CLASS MEMBER?

You received this Notice because you were identified as being a Class Member, that is you are a current or former hourly non-exempt employee who worked for AT&T at any call center in the State of California at any time from August 22, 2014, to July 31, 2015 ("Covered Period"), and received commission payments.

4. WHO ARE THE ATTORNEYS REPRESENTING THE PARTIES?

Counsel for Plaintiff and the Class

THE MYERS LAW Group, A.P.C. David P. Myers

dmyers@myerslawgroup.com

Robert M. Kitson

rkitson@myerslawgroup.com

Jason Hatcher

jhatcher@myerslawgroup.com

Cassandra A. Castro ccastro@myerslawgroup.com

9327 Fairway View Place, Suite 100

Rancho Cucamonga, CA 91730 Telephone: (909) 919-2027

Counsel for AT&T

PAUL HASTINGS, LLP Raymond Bertrand raymondbertrand@paulhastings.com James P. De Hann jamesdehaan@paulhastings.com

4747 Executive Drive, Twelfth Floor San Diego, CA 92121 Telephone: 310-228-3700

The Court has decided that The Myers Law Group, A.P.C. is qualified to represent you and all other Class Members simultaneously, and that Plaintiff will serve as the Class Representative.

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

5. WHAT IS THE PROPOSED SETTLEMENT?

The following is a summary of the proposed settlement. The complete terms of the proposed settlement are stated in the Stipulation of Settlement, which is on file with the Court and is available on line at www.

Under the Stipulation of Class Settlement between Plaintiff and AT&T ("Stipulation of Settlement" or "Settlement Agreement" or "Settlement"), AT&T has agreed to pay \$150,000.00 as a "Gross Settlement Amount" to settle the claims asserted in this lawsuit, plus AT&T will pay separately all employer side payroll taxes.

Prior to any distribution of funds to class members, subject to Court approval, the following amounts will be deducted from the Gross Settlement Amount ("GSA"): (1) attorneys' fees (not to exceed one-third of the GSA or \$50,000.00) to compensate Class Counsel for the unpaid work they have performed on the class action; (2) reimbursement of Class Counsel's out-of-pocket litigation expenses, up to \$7,500.00; (3) a payment of no more than \$12,000 to Atticus Administration, the neutral third party administrator, to administer the class settlement; and (4) an award of additional funds (not to exceed \$5,000) to the Class Representative in consideration of her services to the class in this case. Following the Court-approved deductions, the remaining sum of approximately \$75,500.00 (the "Net Settlement Amount" or "NSA") will be distributed to all members of the Class.

The participating Class Member's will receive a Class Member Payment based on a *pro rata* share of the Net Settlement Amount based on the number of weeks he or she worked during the Covered Period compared to all the weeks worked by all Class Members during the Covered Period.

Your estimated payment at this time is \$, les	s taxes. Of each Individual Participating Settlement
Class Member Payment, 25% will be allocated as wages,	, and 75% shall be allocated as non-wages (interest and
penalties). Applicable payroll taxes will be withheld fro	om the wage portion of this payment. Exclusive of the
Gross Settlement Amount, AT&T is responsible for payn	nent of AT&T's share of any employer payroll taxes to
be paid in connection with the settlement.	

6. YOUR ESTIMATED PAYMENT UNDER THIS SETTLEMENT IS \$...

If you dispute these figures, you may contact the Claims Administrator, as discussed below.

Depending on rulings from the Court that might affect the Gross Settlement Amount, as well as the number of Class Members who may opt out of the settlement, the actual amount you will receive if the Court grants Final Approval of the settlement may vary from the above estimated amount.

The motion for final approval of the settlement, which will include Class Counsel's application for an award of attorney's fees and costs will be filed with the court by _________, 2022 and may be viewed in the court file at the United States District Court for the Central District of California, located at 350 W. 1st Street, Courtroom 6B, 6th Floor, Los Angeles, CA 90012.

AT&T has agreed to pay each class member an amount as calculated in accordance with the terms of the Settlement Agreement after final approval of the class action settlement. This settlement payment will be distributed by the Claims Administrator approximately within three (3) calendar days after the Settlement becomes final as defined in the settlement agreement. Your settlement check will be valid for 180 days, after which it will become void. If you do not cash or deposit the check before it becomes void, the funds will be sent to the California State Controller as Unclaimed Property in your name. Instructions for retrieving your settlement funds from the Unclaimed Property can be found at www. ucpi.sco.ca.gov/UCP or by contacting the California State Controller's office.

7. WHAT ARE MY RIGHTS AND OPTIONS IN THIS MATTER?

If you fit the description of a class member as set forth in this Notice, you have four options. Each option has its own consequences which you should understand before making your decision. Your rights regarding each option and the procedure you must follow to select each option are set forth below.

A. Option One. Do Nothing and Participate in the Settlement.

To get money from the settlement, you do not need take any action. As a class member, if the Court approves the settlement, you are bound by the settlement. You will then receive payment and will provide a release to AT&T and other "Releasees" (which includes AT&T and any of AT&T's present and former parents, subsidiaries and affiliated companies or entities, and their respective officers, directors, employees, partners, shareholders and agents, and any other successors, assigns and legal representatives and its related persons and entities). The scope of the release is as follows:

Class Members (other than those who timely and validly elect not to participate in the Settlement) fully release and discharge AT&T and the Released Parties of any and all known and unknown Covered Claims as alleged in, and that could have been reasonably alleged based on the facts of, the operative Third Amended Complaint, for the Covered Period. This includes, but is not limited to, statutory, constitutional, contractual or common law claims for wages, damages, unpaid costs or expenses, penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief, arising out of or based upon any provision of the California Labor Code, California

Industrial Welfare Commission Wage Orders, and California Business and Professions Code § 17200, et seq.; including, without limitation, the following categories of allegations, to the fullest extent such claims are releasable by law: (a) all claims for failure to pay wages, including overtime premium pay and the minimum wage; (b) all claims for the failure to provide meal and/or rest periods in accordance with applicable law, including payments equivalent to one hour of the employee's regular rate of pay for missed meal and/or rest periods and alleged non-payment of wages for meal periods worked and not taken; (c) all claims for the alleged omission of any kind of remuneration when calculating an employee's regular rate of pay; and (d) any and all claims for pay stub violations, claims for timely payment of wages and associated penalties, and all other non-PAGA civil and statutory penalties based on the Covered Claims. The Class Members understand and agree that this release includes a good-faith compromise of disputed wage claims. This release does not apply to or cover the Non-Covered Claims or the PAGA claim.

The Covered Claims means the class action claims for the period of August 22, 2014 to July 31, 2015. The remaining claims ("Non-Covered Claims") will not be released and will be dismissed without prejudice.

If the Court gives final approval to the settlement, the Settlement Administrator will send you a check to the address it has on file for you. It is important that you keep the Settlement Administrator informed of any changes in your address until you receive your settlement payment.

AT&T WILL NOT RETALIATE OR TAKE ANY ADVERSE ACTION AGAINST YOU OR ANY CLASS MEMBER FOR PARTICIPATING IN THE SETTLEMENT.

B. Option Two. You May Request to Be Excluded from the Settlement ("Opt Out").

If you do not wish to participate in the settlement and wish to retain your right to bring your own claims within the scope of the lawsuit as an individual, you must send a request for exclusion to the Settlement Administrator, set forth below. The request for exclusion must be mailed to the Settlement Administrator and **post-marked on or before [DATE]** (30 days from Initial Mailing). The request for exclusion from the settlement **must** include the case name (*Ayala v. AT&T Mobility Services, LLC, et al.*) your first and last name, signature, address, phone number, last four digits of your social security number for verification purposes and a statement that you wish to exclude yourself from the settlement of the case or words to that effect. No form is provided for an exclusion request. Any Class Member who requests exclusion will not be entitled to any portion of the class settlement and will not be providing a class release of claims to AT&T and other Releasees. If you exclude yourself from the settlement, you will not have any right to object, appeal, or comment on the settlement. Class Members who fail to submit a valid and timely exclusion request shall be bound by all terms of the Settlement Agreement and any judgment entered in the Action if the Settlement is approved by the Court.

C. Option Three. You May Dispute the Information Used to Calculate Your Settlement Payment.

If you do not believe that the values for these items as noted in Section 6 of this notice is correct, you may dispute those numbers. Any such dispute must be mailed to the Settlement Administrator and **post-marked on or before** [DATE] (30 days from Initial Mailing). Disputes must state what you believe to be the correct values for these items and must be accompanied by any documentation you have to support your dispute which shall be resolved pursuant to the terms detailed in the Settlement Agreement. In addition, your dispute **must** include the case name (*Ayala v. AT&T Mobility Services, LLC, et al.*) your first and last name, signature, address, phone number, and last four digits of social security number for verification purposes. Sending a dispute will not risk your right to a settlement payment.

D. Option Four. You May Object to the Settlement.

As a Class Member, you may object to the settlement before final approval of the settlement by the Court. In order to object to the settlement or any portion of it, you should send any such written objection to the Settlement Administrator on or before [DATE] (30 days from Initial Mailing). Objections **must** state all of the reasons for your objection. In addition, any objection **must** include the case name (*Ayala v. AT&T Mobility Services, LLC, et al.*) your first and last name, address, phone number, and last four digits of social security number for verification purposes and must be signed by you or your attorney. While the Court may, in its discretion, permit objections to be filed up until the date of the Final Approval Hearing, you will only be assured that your objection will be considered if you submit it to the Claims Administrator by the [DATE] deadline.

8. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT

The Final Approval Hearing on the fairness and adequacy of the proposed settlement, the plan of distribution, the enhancement award to the Plaintiff, and Class Counsel's request for attorneys' fees and costs, and other issues will be held on ______, 2022 at _____, in at the United States District Court for the Central District of California, located at located at 350 W. 1st Street, Courtroom 6B, 6th Floor, Los Angeles, CA 90012. You may attend the Final Approval Hearing and be heard even if you do not submit an objection to the settlement. The Final Approval Hearing may be continued to another date without further notice. If you plan to attend the Final Approval Hearing, it is recommended that you contact the Settlement Administrator to confirm the date and time.

9. NON-RETALIATION

AT&T will not retaliate or take any adverse action against you or any Class Member for participating in the settlement.

10. HOW WILL THE ATTORNEYS FOR THE CLASS BE PAID?

The attorneys for Plaintiff and the Class will be paid from the Gross Settlement Amount. Subject to Court approval, the attorneys for Plaintiff and the Class shall be paid an amount not to exceed one-third of the GSA (\$50,000.00) and litigation costs not to exceed \$7,500.00. The Plaintiff may also receive a service award for litigating this matter on behalf of the Class in an amount not to exceed \$5,000.00.

11. ADDITIONAL INFORMATION

This Notice only summarizes the lawsuit and settlement. For more information, you may inspect the Court file
at the United States District Court for the Central District of California, located at located at 350 W. 1st Street,
Courtroom 6B, 6th Floor, Los Angeles, CA 90012. You may also review the settlement agreement and other
documents related to this settlement online at www You may also contact the Settlement
Administrator as follows:

Ayala/Shaw v. AT&T Mobility Services, LLC., et al. c/o Atticus Administration
[ADDRESS]
[TELEPHONE NUMBER]

If you have questions, you may call the Settlement Administrator, ______, toll free at [TELEPHONE NUMBER]. Ask about the *Ayala/Shaw v. AT&T Mobility Solutions, LLC* class settlement.

You may also contact Class Counsel at the addresses and telephone numbers listed above.

PLEASE DO NOT CALL THE COURT OR COUNSEL FOR AT&T.

If your address changes or is different from the address on the envelope enclosing this Notice, please promptly notify the settlement administrator.