

CLASS ACTION SETTLEMENT AND RELEASE OF CLAIMS

This Settlement Agreement and Release of Claims ("Settlement Agreement") is entered into by and between Defendants ACADEMY AUTOMOBILE INSURANCE SERVICES, INC., AGENDA INSURANCE, SERVICES, INC., ALICO INSURANCE, INC., ADELCO INSURANCE SERVICES, INC., dba TOP VALUE INSURANCE SERVICES, MAGDY TAWIL, and ADEL TAWIL (collectively, "ACADEMY" or "DEFENDANTS"), on the one hand, and Representative Plaintiffs GABRIELA ANGEL, GUADALUPE CABRERA, JACQUELINE CHAMORRO, SAMANTHA HERNANDEZ, MAYRA MARTIN, VIVIAN PENA, EMPERATRIZ RAMIREZ, MARIA RODRIGUEZ, ROSARIO TORRES and JESSICA CASTILLO (at times collectively referred to herein as "CLASS REPRESENTATIVES," "REPRESENTATIVE PLAINTIFFS," and/or "PLAINTIFFS") on behalf of themselves individually and on behalf of all members of the PLAINTIFF CLASS as described herein below, on the other hand.

DEFINITIONS

1. "CLASS COUNSEL" is Nancy Abrolat, Esq. of Abrolat Law pc.
2. "CLASS NOTICE PACKAGE" means the Class Notice in a form substantially similar to that attached hereto as Exhibit A, subject to Court approval, and incorporated herein by reference.
3. "DEFENDANTS' COUNSEL" is Arthur J. McKeon, III of Freeman Mathis & Gary, LLP.
4. "GROSS SETTLEMENT FUND" refers to the amount of \$1,175,000.00 (one million, one hundred seventy-five thousand dollars and no cents) that DEFENDANTS will make available for payment, in its entirety, pursuant to this Settlement Agreement.
5. "NET SETTLEMENT FUND" shall be calculated by deducting approved CLASS COUNSEL'S attorney's fees and litigation costs, the enhanced payments to the CLASS REPRESENTATIVES and the fees and expenses of the SETTLEMENT ADMINISTRATOR from the GROSS SETTLEMENT FUND.
6. "PARTIES" refers to the CLASS REPRESENTATIVES, the PLAINTIFF CLASS, and DEFENDANTS, collectively.
7. "PLAINTIFF CLASS" refers to the following classes as set for the in PLAINTIFFS' Motion for Class Certification, which consist of 344 individuals:
 - a. All individuals who have been employed or are currently employed by Academy within California at any time during the Settlement Period as hourly "customer service representatives" (collectively referred to herein as "Customer Service Representatives" and/or "CSRs").

- b. The certified sub-class is defined as all members of the Class whose employment with Academy has terminated and who were not paid all compensation due at the time of said termination.
8. "QUALIFIED PLAINTIFF" and/or "SETTLEMENT CLASS" refers to all members of the PLAINTIFF CLASS who do not timely submit to the SETTLEMENT ADMINISTRATOR a valid "opt-out" form consistent with the CLAIM PROCESS as described herein below.
9. "SETTLEMENT ADMINISTRATOR" refers to the third-party company responsible for administering the SETTLEMENT. CLASS COUNSEL and DEFENDANTS' COUNSEL have obtained bids from various such companies and have selected as the most cost-efficient, capable bidder, ILYM Group, Inc.
10. "SETTLEMENT ADMINISTRATION EXPENSES" are those expenses incurred by the SETTLEMENT ADMINISTRATOR in effecting the SETTLEMENT.
11. "SETTLEMENT PERIOD" is May 8, 2010 through December 27, 2017.

RECITALS

12. On May 9, 2014, CLASS COUNSEL filed a Complaint in Los Angeles County Superior Court styled as "*GABRIELA ANGEL, GUADALUPE CABRERA, JACQUELINE CHAMORRO, SAMANTHA HERNANDEZ, MAYRA MARTIN, VIVIAN PENA, EMPERATRIZ RAMIREZ, MARIA RODRIGUEZ, ROSARIO TORRES and JESSICA CASTILLO, individually and on behalf of all employees similarly situated, Plaintiffs, v. ACADEMY AUTOMOBILE INSURANCE SERVICES, INC., a corporation, AGENDA INSURANCE, SERVICES, INC., a corporation, ALICO INSURANCE, INC., a corporation, ADELCO INSURANCE SERVICES, INC., a corporation, dba TOP VALUE INSURANCE SERVICES, MAGDY TAWIL, an individual, ADEL TAWIL, an individual and DOES 1-100, inclusive.*"
13. On May 15, 2015, the final operative Complaint, i.e., the Second Amended Complaint, was filed by Class Counsel on behalf of the Representative Plaintiffs. This amended Complaint shall be referred to herein as the Complaint or the Second Amended Complaint.
14. This lawsuit now pending as Case No. BC545021 in Los Angeles County Superior Court shall be referred to herein as the Dispute and/or the Pending Action.
15. This Settlement Agreement affects claims of the Plaintiff Class arising during the Settlement Period as alleged in the Second Amended Complaint. Plaintiffs allege that Defendants violated wage and hour laws and seeks, on their own behalf and on behalf of the class alleged therein, unpaid wages and penalties for missed meal

and rest breaks, interest and penalties thereon, liquidated damages arising therefrom, injunctive and other equitable relief related thereto, and reasonable attorney's fees and costs under, inter alia, California Labor Code §§ 200-203, 221, 223, 226.7, 510, 512, 1194, 1198, 2698 et seq., 2802; Business and Professions Code § 17200 et seq.; and Fair Labor Standard Act, 29 U.S.C. §§ 206, 207, 216.

16. Defendants deny that they violated the law in any manner alleged in the Second Amended Complaint or otherwise. Nothing contained herein, nor the consummation of this Settlement Agreement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing by Defendants.
17. The Parties intend to fully, finally and forever settle, compromise, and discharge all disputes and claims arising during the Settlement Period alleged by the Plaintiff Class in the Second Amended Complaint, as well as known and unknown claims which could have been brought based on the factual allegations contained in the Second Amended Complaint, including but not limited to claims for unpaid wages, unpaid overtime, record-keeping violations, paystub violations, meal period and rest period violations, "waiting time" penalties, "shortages" violations and failure to reimburse business expenses, which arose during the Settlement Period.
18. The PARTIES intend that this Settlement Agreement should include a full and complete settlement and release of the claims described in the preceding paragraph, and which included in its effect all of the Defendants' present and former parent companies, subsidiaries, affiliates, shareholders, officers, directors, attorneys, insurers, employees and agents.
19. Class Counsel represents that counsel has conducted a sufficiently thorough investigation into the claims of the Plaintiff Class against Defendants. Based on Class Counsel's own independent investigation and evaluation and all known facts and circumstances, including the risk of significant defenses asserted by Defendants, Class Counsel is of the opinion that the Settlement is fair, reasonable and adequate and is in the best interest of the Plaintiff Class.
20. The PARTIES agree to cooperate and take all steps necessary and appropriate to obtain preliminary and final approval of this Settlement and to effectuate all aspects of this Settlement Agreement.

CERTIFICATION OF THE PLAINTIFF CLASS

21. On February 23, 2017, the Court granted Plaintiffs' Motion for Class Certification, certifying the following claims:
 - a. **Saturday Overtime Class:** All CSRs not compensated at the overtime rate for overtime hours worked on Saturdays in violation of the Labor Code, IWC Wage Orders and all other applicable laws and regulations between May 2010 and judgment;

- b. **Overtime For Driving Off the Clock:** All CSRs not compensated for time spent driving from one Academy location to another and driving to run errands in violation of the Labor Code, IWC Wage Orders, and all other applicable laws and regulations between May 2010 and judgment;
- c. **Unlawful Meal Break Subclass (First Meal Period After Fifth Hour):** All CSRs not compensated for meal periods within the first five working hours of their shifts in violation of the Labor Code, IWC Order, and all other applicable laws and regulations between May 2010 and judgment;
- d. **Unlawful Meal Break Subclass (First Meal Period Less Than Thirty Minutes Duty Free):** All CSRs not compensated for first meal periods that were less than thirty minutes of duty-free uninterrupted time in violation of the Labor Code, IWC Wage Orders, and all other applicable laws and regulations between May 2010 and judgment;
- e. **Unlawful Meal Period Subclass (Second Meal Period):** All CSRs not compensated for second meal periods not taken during 10-hour shift in violation of the Labor Code, IWC Wage Order, and all other applicable laws and regulations between May 2010 and judgment;
- f. **Rest Break Subclass:** All CSRs not compensated for missed rest breaks in violation of the Labor Code, IWC Wage Orders, and all other applicable laws and regulations between May 2010 and the date of judgment;
- g. **Failure to Reimburse Business Expenses Subclass:** All CSRs not reimbursed for necessary work expenses such as supplies, cleaning products, and mileage in violation of the Labor Code including section 2802, and all other applicable laws and regulations between May 2010 and judgment;
- h. **Shortages Subclass:** All CSRs charged for cash shortages in violation of the Labor Code including sections 221-223, IWC Wage Order 4, section 8, and all other applicable laws and regulations between May 2010 and judgment;
- i. **Inaccurate Paystub Subclass:** All CSRs not provided accurate itemized paystub in violation of the Labor Code section 226, and all other applicable laws and regulations between May 2013 and judgment;
- j. **Derivative and Direct Waiting Time Penalties Subclass:** All CSRs not provided timely payments of all wages due upon employment termination in violation of the Labor Code sections 201, 202, or 203, and

all other applicable laws and regulations between May 2011 and judgment.

SETTLEMENT APPROVAL PROCEDURE

22. This Settlement Agreement will become final and effective upon occurrence of all of the events described in paragraphs 22 through 26, inclusive.
23. Execution of this Settlement Agreement by the Parties and their respective counsel of record.
24. Entry of an Order by the Court (a) granting preliminary approval of the Settlement Agreement, (b) approving the proposed Class Notice (the Parties' proposed form is attached hereto as Exhibit A), or a document substantially similar, and (c) scheduling a hearing date for final approval of the Settlement Agreement.
25. Filing by Class Counsel, on or before the date of the final approval hearing, the Settlement Administrator's verification, in writing, that the Class Notice Package to the Plaintiff Class has been disseminated in accordance with the Court's preliminary approval Order.
26. Entry of an Order by the Court granting final approval of the Settlement Agreement.
27. Occurrence of the "Effective Date," which, if there are no timely objections by members of the Plaintiff Class and/or any such objections have been withdrawn prior to the final approval hearing, shall be the date the Court signs an Order granting final approval of the Settlement Agreement. If timely objections are filed by one or more members of the Plaintiff Class which are not thereafter withdrawn prior to the final approval hearing, the Effective Date shall be the date that the Court's Order granting final approval to the Settlement Agreement is no longer appealable or if such an appeal is filed, the date on which the appeal is final.

SETTLEMENT PAYMENT AND CALCULATION OF CLAIMS

28. In consideration of the mutual covenants and promises set forth herein, the Parties agree, subject to the Court's approval, as follows:
29. Settlement Amount: Defendants agree to pay a total of ONE MILLION, ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS AND NO CENTS (\$1,175,000.00). This amount includes payments to Settlement Class Members who do not submit valid opt-out forms, an Enhancement Award (i.e., service payment) to each of the Class Representatives, fees and expenses of the Settlement Administrator, Class Counsel's approved attorneys' fees (of up to \$391,666.70), and Class Counsel's approved litigation costs. Defendants shall make two (2) earnest money deposits of \$150,000 each with the Settlement

Administrator on the following dates: February 1, 2018 and March 1, 2018 and shall thereafter fund the remaining Gross Settlement Fund to the Settlement Administrator no later than March 15, 2018. If the Settlement is not approved by the Court, all funds will be returned to Defendants less already earned fees of the Settlement Administrator.

- a. Attorney's Fees and Costs: In conjunction with final approval of this Settlement Agreement, Class Counsel will apply to the Court for an award of attorneys' fees in an amount totaling up to 33 1/3% of the Gross Settlement Fund (i.e., \$391,666.70), plus actual costs not to exceed \$50,000. If the Court does not approve an award of 33 1/3% of the Gross Settlement Fund (and/or Class Counsel does not successfully appeal any denial of fees), the difference between this amount and the actual amount approved shall be returned to the Net Settlement Fund to be distributed to the Settlement Class Members (in a second allocation, if after appeal), according to the formula set forth below. These fees and costs are included in, and come from, the Gross Settlement Fund and will be paid directly to Class Counsel within ten (10) days of the Effective Date. Class Counsel will be issued an IRS Form 1099 for their award of attorneys' fees.
- b. Enhancement Award: Subject to Court approval, in addition to any payment the Representative Plaintiffs receive in their capacity as a Class Member, they will individually receive an Enhancement Award from the Gross Settlement Fund for their services as Class Representative totaling \$85,000, in the following amounts: Gabriela Angel: \$3,072.29; Guadalupe Cabrera: \$9,216.87; Jacqueline Chamorro: \$8,192.77; Samantha Hernandez: \$10,753.01; Mayra Martin: \$11,265.06; Vivian Pena: \$7,168.67; Emperatriz Ramirez: \$11,265.06; Maria Rodriguez: \$7,680.72; Rosario Torres: \$8,704.82; and Jessica Castillo: \$7,680.72. The Class Representatives' enhancement awards will be distributed by the Settlement Administrator within ten (10) days after the Effective Date noted herein and will include the issuance of an IRS Form 1099 in connection with this payment.
- c. Settlement Awards to Class Members: Each member of the Plaintiff Class shall be entitled to receive a pro rata portion of the Net Settlement Fund (his/her "Individual Settlement Share") calculated based upon his or her regular rate of pay and workweeks at Defendants during the Settlement Period. The Settlement Administrator will calculate the regular rate of pay using the Class Members' highest straight-time hourly rate and workweeks based upon data provided by Defendants in conjunction with Class Counsel, and will thus calculate the Individual Settlement Share to be paid to each Qualified Claimant. Settlement Class Members' settlement checks shall be distributed by the Settlement Administrator within ten (10) days after the Effective Date.

- d. Cost of Settlement Administration: The fees and expenses of the Settlement Administrator shall be paid from the Gross Settlement Fund within ten (10) days after the Effective Date. If the Effective Date does not occur, then Defendants will bear any already-incurred fees and costs of the Settlement Administrator, but no other settlement administration fees or costs.

ALLOCATION AND TAX TREATMENT

30. The Parties agree that 30% percent of the Individual Settlement Share that is distributed to each Qualified Claimant will be considered unreimbursed business expenses, 30% will be considered penalties and 30% percent will be considered interest, all of which will be reported as such to each Qualified Claimant via an IRS Form 1099. The parties agree that the remaining 10% percent of the amount distributed to each Qualified Claimant will be considered wages, will have applicable payroll taxes withheld and will be reported as such to each Qualified Claimant on a W-2. DEFENDANTS will bear the employer's portion of said payroll taxes, which will not be taken from the Settlement Funds.
31. All Parties represent that they have not received, and shall not rely on, advice or representations from other parties or their agents regarding the tax treatment of payments under federal, state, or local law. Any tax obligation arising from the Settlement Payments, Class Representatives' enhancement payments and/or Class Counsels' fees and costs made under the terms of this Agreement will be the sole responsibility of each person receiving such payment(s), except that Defendants shall bear the employer's share of any payroll taxes or other such withholdings. The latter shall be paid separately and not from the Gross Settlement Fund, and shall be deposited with the Settlement Administrator within ten (10) days from the Effective Date. Each Qualified Claimant is responsible to pay his or her portion of the taxes due on any payment he or she receives under this Settlement Agreement.
32. The Settlement Administrator will perform the duties of distributing notice, independently reviewing requests for exclusion and objections, and verifying and distributing any amounts due to Qualified Claimants as described in this Settlement Agreement. The Settlement Administrator will report, in summary or narrative form, the substance of its findings. All disputes relating to the Settlement Administrator's ability and need to perform its duties shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Settlement Agreement until all payments and obligations contemplated by the Settlement Agreement have been fully carried out.

NOTICE TO THE PLAINTIFF CLASS

33. Defendants shall advise all current employees in the Plaintiff Class in writing of the settlement and include in such writing a statement that Defendants approve of said settlement and release.

34. Subject to Court approval of content, the Class Notice Package shall be sent to the Plaintiff Class by first class mail within fifteen (15) calendar days of the entry of an Order granting preliminary approval of this Settlement Agreement. The Class Notice will, subject to Court approval, advise all Class Members of the nature of the case, the terms of the Settlement, the binding nature of the release, the final approval hearing date, and Class Members' right to make a claim, opt out or object. The Claim Form shall contain the amounts of the minimum expected allocations from Defendants to each Class Member.
35. Defendants will provide to the Settlement Administrator and Class Counsel a database within five (5) calendar days of the entry of an Order granting preliminary approval of the Settlement and Class Notice Package. The database shall include: (1) the names, last known addresses, home telephone numbers and e-mail addresses for each member of the Plaintiff Class, and (2) data pertaining to the dates of service and number of workweeks that each member of the Plaintiff Class worked for Defendants during the Settlement Period, and (3) the wage data for each Class Member to enable the Settlement Administrator to estimate the regular rate of pay. In addition thereto, the database provided to the Settlement Administrator shall also contain Social Security numbers for members of the Plaintiff Class. Defendants agree to provide these Databases in a format reasonably acceptable to the Settlement Administrator and/or Class Counsel.
36. The Settlement Administrator will use the United States Postal Service National Change of Address ("NCOA") List to verify the accuracy of all addresses before the initial mailing date to ensure that the Class Notice Package is sent to all Plaintiff Class Members at the addresses most likely to result in immediate receipt of the claim documents. It will be conclusively presumed that if an envelope so mailed has not been returned within thirty (30) days of the mailing that the Class Member received the Class Notice Package. With respect to any returned envelopes, the Settlement Administrator will perform a routine skip trace procedure to obtain a current address and, if an updated address is located, then re-mail the envelope to such address within five (5) calendar days of the receipt of the returned envelope. Plaintiff Class Members to whom Class Notice Packages were re-sent after having been returned undeliverable to the Settlement Administrator shall have fifteen (15) calendar days after the date of re-mailing to object, or opt out of the settlement. Class Notice Packages that are re-mailed shall be accompanied by a short cover letter from the Settlement Administrator informing the recipient of this adjusted deadline. No third mailing shall occur without good cause, as determined by the Settlement Administrator.
37. At least five (5) calendar days prior to the final approval hearing, Class Counsel shall provide to the Court a declaration by the Settlement Administrator of due diligence and proof of mailing with regard to the mailing of the Class Notice Package.

CLAIMS PROCESS

38. Members of the Plaintiff Class may opt-out of the Settlement by following the directions in the Class Notice Package. Any such request must be postmarked not more than thirty (30) calendar days after the date the Class Notice Package is mailed to the Plaintiff Class (or not more than fifteen (15) calendar days after the date the Class Notice Package is re-mailed, in the circumstance described above). Requests to opt-out that do not include all required information, or that are not submitted on a timely basis, will be deemed null, void and ineffective. Persons who are eligible to and do submit valid and timely requests to opt-out of the Settlement will not participate in the Settlement, nor will they be bound by the terms of the proposed Settlement, if it is approved, or the Final Judgment in this Action.
39. Objections to the Settlement must be filed with the clerk of the court and served on Class Counsel and Defendants' Counsel no later than thirty (30) calendar days after the Class Notice Package is sent (or not more than fifteen (15) calendar days after the date the Class Notice Package is re-mailed, in the circumstance described above).
40. Objections must describe why the objector believes the Settlement is unfair and whether the objector intends to appear at the final approval hearing. Deficient or untimely Objections shall not be considered. Class Members who fail to file and serve timely written objections in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement, unless otherwise ordered by the Court. Class Counsel and Defendants' Counsel may, at least ten (10) days (or some other number of days as the Court shall specify) before the Final Approval Hearing, file responses to any written objections submitted to the Court.
41. Upon completion of its calculation of payments, the Settlement Administrator will provide Class Counsel and Defendants' Counsel with a report listing the amount of all payments to be made to each Qualified Claimant. After receiving the Settlement Administrator's report, Class Counsel and Defendants' Counsel shall jointly review same to determine if the calculation of payments to Settlement Class members is consistent with this Settlement.
42. Defendant will not retaliate against Members of the Plaintiff Class for any actions taken or not taken with respect to this Settlement or retaliate against the Class Representative for filing the Pending Action.

DISPUTE PROCESS

43. The Notice will apprise each member of the Plaintiff Class of the approximate dates he or she held an eligible position during the Settlement Period as well as his or her total number of workweeks. These calculations shall be based on Defendants' records. Defendants' records are presumed to be accurate.
44. If a member of the Plaintiff Class does not wish to challenge the information set

forth in the Notice, then the member need do nothing, and payment will be made based on Defendants' records.

45. If a member of the Plaintiff Class wishes to challenge the information set forth in the Notice, then the member must submit a written, signed challenge along with supporting documents, if any exist, to the Settlement Administrator at the address provided on the Notice within thirty (30) calendar days of the date the Class Notice Package was mailed to the member of the Plaintiff Class (or within fifteen (15) calendar days of the date the Class Notice Package was re-mailed, in the circumstance described above).
46. No dispute will be considered timely if it is postmarked more than the number of days set forth in the preceding paragraph of this Agreement. Absent an agreement between Class Counsel and Defendants' Counsel regarding how to address the dispute, the Settlement Administrator shall have authority to resolve the challenge and make a final and binding determination without hearing or right of appeal. Defendants agree to provide the Settlement Administrator with additional documents necessary to assess the challenge. All disputes shall be resolved either by agreement of Class Counsel and Defendants' Counsel or by decision of the Settlement Administrator as provided herein prior to submitting the Settlement administrator's declaration to the Court for final approval.
47. Settlement checks issued to the Class Representative and Qualified Claimants shall remain valid for ninety (90) calendar days from the date of issuance. This expiration or cancellation date shall be clearly printed on the front of the check ("Void Date"). If the Class Representative or any Qualified Claimants do not cash his or her settlement payment check(s) before the Void Date, his or her settlement check(s) will be distributed to Legal Aid At Work, or another cy pres beneficiary approved by the Court. Settlement checks can be reissued to Qualified Claimants upon request within this 90-day period but any reissued checks shall have the same Void Date as the original settlement check. Those Qualified Claimants who fail to cash their settlement checks will be deemed to have waived irrevocably any right in or claim to a settlement share paid directly by Defendants, but the Settlement Agreement shall remain binding upon them.

CY PRES DISTRIBUTION

48. Prior to entry of any judgment and pursuant to California Civil Procedure Code Section 384, the Parties will provide to the Court the total amount that will be payable to all Class Members, if all Class Members are paid the amount to which they are entitled pursuant to the judgment. Further, once all payments have been made to the Class Members under the Settlement, the Parties will provide a report to the Court of the total amount that was actually paid to the Class Members. Once the Court receives this report, the judgment will be amended to direct Defendants to pay the sum of the unpaid residue plus interest on that sum at the legal rate of interest from the date of entry of the initial judgment to Legal Aid at Work or such other Cy Pres organization approved by the Court.

INJUNCTIVE RELIEF

49. Defendants have instituted written policies approved by Defendants' Counsel that comply with California wage and hour law that address: 1) overtime pay and when employees are entitled to overtime pay; 2) meal and rest breaks, including specifically when and how employees are afforded meal and rest breaks; 3) shortages, including that employees will not be required to reimburse shortages without a finding after investigation that the shortage was caused by a dishonest or willful act, or by the gross negligence of the employee; and 4) expense reimbursements, including mileage and the manner in which to request expense reimbursements.

RELEASES

50. Upon the final approval by the Court of this Settlement Agreement, and except as to such rights or claims as may be created by this Settlement Agreement, all members of the Plaintiff Class who do not timely request exclusion fully release and discharge Defendants and Defendants' present and former parent companies, subsidiaries, shareholders, officers, directors, attorneys, insurers, successors and assigns ("Releasees"), from any and all individual and class claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorneys' fees, damages, action or causes of action of whatever kind or nature, whether known or unknown, that were actually alleged in the Second Amended Complaint, as well as wage and hour class claims which could have been brought based on the specific factual allegations contained in the Second Amended Complaint, including, but not limited to any claims for unpaid wages, unpaid compensation including commissions and bonuses, unpaid overtime, record-keeping violations, paycheck violations, meal period and rest period violations, "waiting time" penalties, and failure to reimburse business expenses, which arose between May 8, 2010 through December 27, 2017, inclusive. In order to achieve a full and complete release of Releasees by the Settlement Class of all claims arising from or related to the Second Amended Complaint, this Settlement Agreement is intended to include claims that were brought or claims which could have been brought based on the specific factual allegations alleged in the Second Amended Complaint.
51. Upon final approval by the Court of this Settlement Agreement, and for and in consideration of the payment of the Class Representatives' Enhancement Awards to the Class Representatives for services performed on behalf of the Class, the Class Representatives fully release and discharge Releasees from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees and costs, damages, penalties, prejudgment interest, actions or causes of action of whatever kind or nature arising out of or during their employment with Defendants, to the date of the preliminary approval of this Settlement Agreement by the Court. For this time period, the Representative Plaintiffs also waive all rights and benefits afforded by Section 1542 of the Civil

Code of the State of California, and do so understanding the significance of that waiver.

Section 1542 provides: A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

52. The Parties shall submit this Settlement Agreement to the Court in support of Plaintiffs Motion for Preliminary Approval for determination by the Court as to its fairness, adequacy, and reasonableness and apply for the entry of a preliminary Order substantially in the following form:
- a. Scheduling a fairness hearing on the question of whether the proposed Settlement should be finally approved as fair, reasonable, and adequate as to the Plaintiff Class;
 - b. Approving the proposed Class Notice Package; and
 - c. Preliminarily approving the Settlement.

DUTIES OF THE PARTIES FOLLOWING FINAL COURT APPROVAL

53. Following final approval by the Court of this Settlement Agreement, Class Counsel will submit a proposed final Order and Judgment:
- a. Approving the Settlement Agreement, adjudging the terms thereof to be fair, reasonable, and adequate, and directing consummation of its terms and provisions;
 - b. Approving and awarding Class Counsel's fees and costs, the Settlement Administration Costs, and the Enhancement Award as set forth in the Settlement Agreement;
 - c. A provision permitting the Judgment to be amended consistent with California Civil Procedure Code Section 384 to direct any residual payments along with interest thereon paid by Defendants to be paid Legal Aid at Work or such other cy pres organization approved by the Court, as described in paragraph 47, above.
 - d. Dismissing the action with prejudice.

VOIDING THE SETTLEMENT AGREEMENT

54. If the Court does not approve any material condition of this Settlement Agreement

or effects a fundamental change of the Parties' Settlement, with the exception of any changes to the Class Notice Package, the award of Class Counsels' fees/costs, and the award of enhancement payments, then the entire Settlement Agreement will be voidable and unenforceable at the option of either Party hereto.

55. Either Party may void this Settlement Agreement as provided in the preceding Paragraph by giving notice in writing to all other Parties and the Court at any time prior to final approval of the Settlement Agreement by the Court.

PARTIES' AUTHORITY

56. The signatories represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties to its terms and conditions.

MUTUAL FULL COOPERATION

57. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, execution of such documents as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement. As soon as practicable after execution of this Settlement Agreement, Class Counsel shall, with the assistance and cooperation of Defendants' Counsel take all necessary steps to secure the Court's final approval of this Settlement Agreement.
58. Defendants understand that in the course of applying for settlement approval, Plaintiffs will be required to submit sufficient evidence to support the fairness of the proposed settlement terms. Upon reasonable request, Defendants agree to provide Plaintiffs with such evidence in their possession and, if requested by Plaintiffs, will provide declaration(s) or other admissible evidence reflecting class size, wage information, and workweeks worked during the Settlement Period.

NO ADMISSION OF LIABILITY

59. Each of the Parties has entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant risk, inconvenience and expense. Nothing contained herein, nor the consummation of this Settlement Agreement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants. This Settlement Agreement is a settlement document and shall, pursuant to California Evidence Code Section 1152, be inadmissible as evidence in any proceeding. The preceding sentence shall not apply to an action or proceeding to approve, interpret, or enforce this Settlement Agreement.

ENFORCEMENT OF THE SETTLEMENT AGREEMENT

60. In the event that one or more of the Parties to this Settlement Agreement institutes any legal action, arbitration, or other proceeding against any other party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

NOTICES

61. Unless otherwise specifically provided, all notices, demands or other communications in connection with this Settlement Agreement shall be: (1) in writing; (2) deemed given on the third business day after mailing; and (3) sent via United States registered or certified mail, return receipt requested, addressed as follows:

To Plaintiffs: Nancy Abrolat, Esq.
Abrolat Law pc
2321 Rosecrans Avenue, Suite 1260
El Segundo, CA 90245
[Note: After February, 2018, this address will return to:
840 Apollo Street, Suite 300,
El Segundo, California 90245]

To Defendants: Arthur McKeon, Esq.
Freeman Mathis & Gary, LLP
550 S. Hope Street, 22nd Floor
Los Angeles, CA 90071

CONSTRUCTION AND INTERPRETATION

62. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arm's-length negotiations between the Parties and that this Settlement Agreement shall not be construed in favor of or against any of the Parties by reason of their participation in the drafting of this Settlement Agreement.
63. Paragraph titles are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any of its provisions. Each term of this Settlement Agreement is contractual and not merely a recital.
64. This Agreement shall be subject to and governed by the laws of the State of California. The Parties acknowledge that they are subject to the continuing jurisdiction of the Court to enforce the terms of the Settlement contained herein. If any party files a subsequent action to enforce this Agreement, such action shall be

venued exclusively in the Superior Court of Los Angeles County, California.

MODIFICATION

65. This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by counsel for the Parties, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by counsel for the Parties.
66. This Settlement Agreement contains the entire agreement between the Parties relating to any and all matters addressed in the Settlement Agreement, 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, with respect to such matters are extinguished. No rights hereunder may be waived or modified except in a writing signed by all Parties.

BINDING ON ASSIGNS

67. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, trustees, executors, administrators, successors and assigns.

CLASS COUNSEL SIGNATORIES

68. It is agreed that it is impossible or impractical to have each member of the Plaintiff Class execute this Settlement Agreement. The Notice will advise all Class Members of the binding nature of the release and such shall have the same force and effect as if each member of the Plaintiff Class executed this Settlement Agreement.

COUNTERPARTS

69. This Settlement Agreement may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Settlement Agreement, which shall be binding upon and effective as to all Parties. Copies of the executed agreement shall be effective for all purposes as though the signatures contained therein were original signatures.

accordance with its terms or by a writing signed by counsel for the Parties.

65. This Settlement Agreement contains the entire agreement between the Parties relating to any and all matters addressed in the Settlement Agreement, 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, with respect to such matters are extinguished. No rights hereunder may be waived or modified except in a writing signed by all Parties.

BINDING ON ASSIGNS

66. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, trustees, executors, administrators, successors and assigns.

CLASS COUNSEL SIGNATORIES

67. It is agreed that it is impossible or impractical to have each member of the Plaintiff Class execute this Settlement Agreement. The Notice will advise all Class Members of the binding nature of the release and such shall have the same force and effect as if each member of the Plaintiff Class executed this Settlement Agreement.

COUNTERPARTS

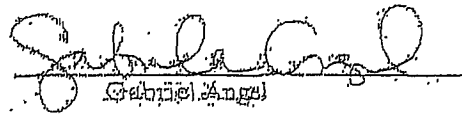
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IT IS SO AGREED.

CLASS REPRESENTATIVES:

Date: _____

Date: _____



Gabriel Angel

Guadalupe Cabrera

venued exclusively in the Superior Court of Los Angeles County, California.

MODIFICATION

64. This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by counsel for the Parties, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by counsel for the Parties.
65. This Settlement Agreement contains the entire agreement between the Parties relating to any and all matters addressed in the Settlement Agreement, 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, with respect to such matters are extinguished. No rights hereunder may be waived or modified except in a writing signed by all Parties.

BINDING ON ASSIGNS

66. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, trustees, executors, administrators, successors and assigns.

CLASS COUNSEL SIGNATORIES

67. It is agreed that it is impossible or impractical to have each member of the Plaintiff Class execute this Settlement Agreement. The Notice will advise all Class Members of the binding nature of the release and such shall have the same force and effect as if each member of the Plaintiff Class executed this Settlement Agreement.

COUNTERPARTS

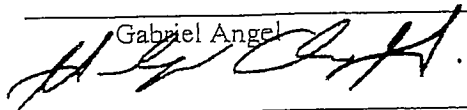
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IT IS SO AGREED.

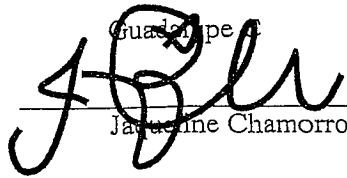
CLASS REPRESENTATIVES:

Date: _____

Date: _____



Guadalupe Cabrera

Guadalupe

Jacqueline Chamorro

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Date: _____

Samantha Hernandez

Mayra Martin

Vivian Pena

Emperatriz Ramirez

Maria Rodriguez

Rosario Torres

Jessica Castillo

DEFENDANTS:

Date: _____

Academy Automobile Insurance
Services, Inc.

Date: _____

Agenda Insurance Services, Inc.

Date: _____

Alico Insurance, Inc.

Date: _____

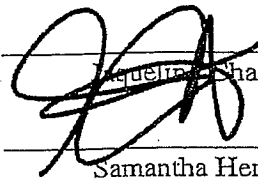
Adelco Insurance Services, Inc., dba
Top Value Insurance Services

Date: _____

Adel Tawil

Date: _____

Date: _____


Samantha Hernandez

Date: _____

Date: _____

Mayra Martin

Date: _____

Vivian Pena

Date: _____

Emperatriz Ramirez

Date: _____

Maria Rodriguez

Date: _____

Rosario Torres

Date: _____

Jessica Castillo

DEFENDANTS:

Date: _____

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Alico Insurance, Inc.

Date: _____

Adelco Insurance Services, Inc., dba
Top Value Insurance Services

Date: _____

Adel Tawil

Date: _____

Date: _____

Jaqueline Chamorro

Date: _____

Samantha Hernandez

Date: _____

Mayra A. Martin

Mayra Martin

Date: _____

Vivian Pena

Date: _____

Emperatriz Ramirez

Date: _____

Maria Rodriguez

Date: _____

Rosario Torres

Date: _____

Jessica Castillo

DEFENDANTS:

Date: _____

Academy Automobile Insurance
Services, Inc.

Date: _____

Agenda Insurance Services, Inc.

Date: _____

Alico Insurance, Inc.

Date: _____

Adelco Insurance Services, Inc., dba
Top Value Insurance Services

Date: _____

Adel Tawil

Date: _____

Date: _____

Jaqueline Chamorro

Date: _____

Samantha Hernandez

Date: _____

Mayra Martin

Date: 3-16-18

V-Pena

Vivian Pena

Date: _____

Emperatriz Ramirez

Date: _____

Maria Rodriguez

Date: _____

Rosario Torres

Date: _____

Jessica Castillo

DEFENDANTS:

Date: _____

Academy Automobile Insurance
Services, Inc.

Date: _____

Agenda Insurance Services, Inc.

Date: _____

Alico Insurance, Inc.

Date: _____

Adelco Insurance Services, Inc., dba
Top Value Insurance Services

Date: _____

Adel Tawil

Date: _____

Date: _____

Jaqueline Chamorro

Date: _____

Samantha Hernandez

Date: _____

Mayra Martin

Date: _____

Vivian Pena

Date: _____

Emperatriz Ramirez
Emperatriz Ramirez

Date: _____

Maria Rodriguez

Date: _____

Rosario Torres

Date: _____

Jessica Castillo

DEFENDANTS:

Date: _____

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Top Value Insurance Services

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Date: _____

Date: _____

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Date: _____

Samantha Hernandez

Date: _____

Mayra Martin

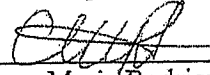
Date: _____

Vivian Pena

Date: _____

Emperatriz Ramirez

Date: 3-16-2018



Maria Rodriguez

Date: _____

Rosario Torres

Date: _____

Jessica Castillo

DEFENDANTS:

Date: _____

Academy Automobile Insurance
Services, Inc.

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Top Value Insurance Services

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Jaqueline Chamorro

Date: _____

Samantha Hernandez

Date: _____

Mayra Martin

Date: _____

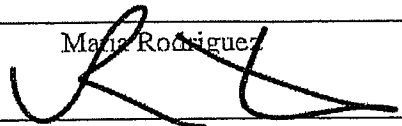
Vivian Pena

Date: _____

Emperatriz Ramirez

Date: _____

Mara Rodriguez



Date: _____

Rosario Torres

Date: _____

Jessica Castillo

DEFENDANTS:

Date: _____

Academy Automobile Insurance
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Vivian Pena

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Rosario Torres

Date: _____

Jessica Castillo
Jessica Castillo

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Mayra Martin

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Vivian Pena

Date: _____

Emperatriz Ramirez

Date: _____

Maria Rodriguez

Date: _____

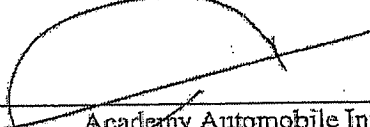
Rosario Torres

Date: _____

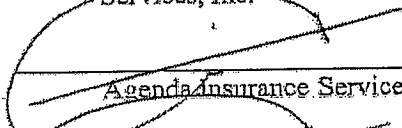
Jessica Castillo

DEFENDANTS:

Date: 03/21/2018


Academy Automobile Insurance Services, Inc.

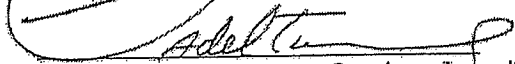
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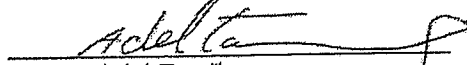
Date: 03/21/2018


Alice Insurance, Inc.

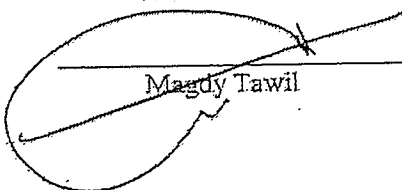
Date: 03/21/2018


Adelco Insurance Services, Inc., dba
Top Value Insurance Services

Date: 03/21/2018


Adel Tawil

Date: 03/21/2018

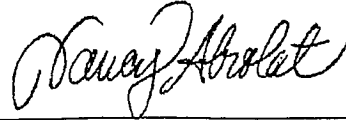

Magdy Tawil

HT
A.T

CLASS COUNSEL:

Date: 3-22-18

ABROLAT LAW pc

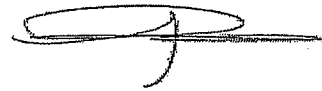


Nancy L. Abrolat
Attorney for Plaintiffs'

DEFENDANTS' COUNSEL:

Date: 3/23/2018

FREEMAN MATHIS & GARY LLP



Arthur J. McKeon III
Attorney for Defendants
Academy Automobile Insurance
Services, Inc., Agenda Insurance
Services, Inc., Alico Insurance, Inc.,
Adelco Insurance Services, Inc., dba
Top Value Insurance Services, Magdy
Tawil and Adel Tawil