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14 and Collective

15 **UNITED STATES DISTRICT COURT**  
16 **NORTHERN DISTRICT OF CALIFORNIA**

17 DAVID CHAVEZ and VINCENT  
18 SLAUGHTER, on behalf of themselves and all  
19 others similarly situated,

20 Plaintiffs,

21 vs.

22 STELLAR MANAGEMENT GROUP VII,  
23 LLC; STELLAR MANAGEMENT GROUP,  
24 INC. d/b/a QSI QUALITY SERVICE  
25 INTEGRITY; THE VINCIT COMPANY, LLC  
26 d/b/a THE VINCIT GROUP and VINCIT  
27 ENTERPRISES,

28 Defendants.

Case No.: 3:19-cv-01353-JCS

**PLAINTIFFS' SUPPLEMENTAL BRIEFING  
REGARDING ZOOM CIVIL MINUTE  
ORDER [DKT. NO. 144]**

Plaintiffs David Chavez and Vincent Slaughter ("Plaintiffs"), by and through their attorneys of record, hereby submit the following response to the Court's inquiries regarding Plaintiffs' motion for preliminary approval of the proposed settlement, Dkt. No. 144.

**I. THE SECOND AMENDMENT TO THE SETTLEMENT AND PROPOSED NOTICES**

Pursuant to the Court's direction, the Parties have agreed to amend the terms of their settlement to exclude from the Class, Collective, and Aggrieved Employees definitions any employees who held administrative and office clerk positions, as well as those who held positions wherein the individuals worked exclusively in Defendants' corporate offices. The Parties also agreed to allocate additional

1 settlement shares to California Class Members who were former employees and therefore are releasing  
2 Labor Code § 203 waiting time penalties. A true and correct copy of the Second Amendment to the  
3 Settlement Agreement (“Second Amendment”) which incorporates these changes is attached here as  
4 Exhibit 1.<sup>1</sup> The Parties also agreed to jointly revise the Notices to the Class and Collective, which are  
5 attached to the Second Amendment as Exhibits E and F.

6 Specifically, the Parties have amended the Settlement and Notices as follows:

- 7 • Paragraph 2.b, 2.p, 2.t, 2.ee; Page 1 and Section 2 in Notice of Class Action Settlement and  
8 Notice of Collective Action Settlement – Refining the definitions of Aggrieved Employees,  
9 Collective Members, Opt-In Plaintiffs, and Rule 23 Settlement Class Members to exclude  
10 individuals who worked in Covered Positions;
- 11 • Paragraph 2.e – Revising the definition of Class List to include information as to whether  
12 any Rule 23 Settlement Class Members were or are former employees of Defendants;
- 13 • Paragraph 2.ii – Adding the definition of Covered Position, as administrative and office  
14 clerk positions, as well as positions wherein individuals worked exclusively in Defendants’  
15 corporate offices;<sup>2</sup>
- 16 • Paragraphs 17.c, 41; Section 5 in Notice of Class Action Settlement – Removing PAGA  
17 releases by Aggrieved Employees and providing that the Parties intend that the final  
18 approval order will have *res judicata* and preclusive effect;
- 19 • Paragraph 18 – Revising that language on the back of Settlement Award checks may in the  
20 alternative be located on the check stub in the event release language does not fit on the  
21 back of the Settlement Award checks;
- 22 • Paragraph 18(a) – Clarifying release language on the back of Collective Members’  
23 Settlement Award checks to provide that Collective Members who are Rule 23 Settlement

24 \_\_\_\_\_  
25 <sup>1</sup> Plaintiffs are waiting on the final signature to the Second Amendment, and anticipate submitting  
the fully executed version during the week of August 2, 2021.

26 <sup>2</sup> The Parties have further filed a stipulation to amend the operative complaint (Dkt. No. 145) to  
27 update the definitions of the class and collective to match those provided in the Settlement, pursuant  
to the Court’s prior direction and pursuant to the Settlement. *See* Dkt. No. 138; Settlement, Dkt. No.  
28 134-2 at ¶¶ 13-14.

1 Class Members who opted-out of the Rule 23 portion of the settlement are receiving a  
 2 Settlement Award check to potentially participate in the collective-action portion of the  
 3 settlement;

- 4 • Paragraph 32.a.ii; Section 4 in Notice of Class Action Settlement and Notice of Collective  
 5 Action Settlement – Revising the calculation of individual settlement awards to provide that  
 6 Participating Class Members whose employment had terminated at any point during the  
 7 class period would receive an additional 19 settlement shares;<sup>3</sup> and
- 8 • Section 4 in Notice of Class Action Settlement and Notice of Collective Action Settlement  
 9 – Clarifying that Participating Individuals will have 60 days of issuance of their individual  
 10 Settlement Award checks before their original checks are cancelled and resent to them  
 11 following an attempt to obtain an updated address, and that Participating Individuals will  
 12 have 180 days from issuance of their original checks to cash their second checks.

## 13 **II. REVISED PROPOSED ORDER**

14 Pursuant to the Court’s directions, Plaintiffs have revised the proposed order and have attached  
 15 it here as Exhibit 2. Specifically, Plaintiffs have revised the proposed order to provide that:

- 16 • Paragraph 1 – The “Settlement” refers to the original Class Action Settlement Agreement  
 17 and Release, the Amendment to Class Action Settlement Agreement and Release, and the  
 18 Second Amendment to Class Action Settlement Agreement and Release;

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19 <sup>3</sup> To determine the applicable number of settlement shares for waiting time penalties, Plaintiffs  
 20 converted the per person potential exposure into the equivalent number of settlement shares.  
 21 Plaintiffs referenced their initial damages analysis, as described in their motion for preliminary  
 22 approval and in their subsequent supplemental briefing to determine the total potential exposure for  
 23 waiting time penalties per former California employee. *See* Dkt. No. 138 at pp. 16-18; Dkt. No.  
 24 138-1 at ¶¶ 31-42; Dkt. No. 141 at pp. 2-10. Specifically, Plaintiffs used the total potential exposure  
 25 for waiting time penalties (\$3.5 million) and divided that number by the total number of former  
 26 California employees pursuant to Defendants’ data (1,187 former employees). This resulted in  
 27 approximately \$3,000 in waiting time exposure per former California employee. To convert this to  
 28 settlement shares, Plaintiffs divided the \$3,000 waiting time exposure by the the per share value of  
 the potential damages per California employee. That is, Plaintiffs took the per week, per California  
 employee potential exposure of \$470 and divided that number by the 3 settlement shares attributed  
 to each work week to determine that each settlement share is valued at approximately \$156 of the  
 total potential exposure. To arrive at the 19 settlement shares, Plaintiffs then divided the \$3,000  
 potential exposure by the per share value of \$156.

- 1 • Paragraph 10 – The Notices of Settlement to be approved by the Court are the revised
- 2 Notices attached to the Second Amendment to Settlement, rather than the original Notices
- 3 attached to the Settlement; and
- 4 • Paragraphs 13 and 17 – Plaintiffs’ Counsel will file a motion for approval for attorneys’
- 5 fees and costs and service awards at least 35 days before the opt-out deadline.

6 **III. CONCLUSION**

7 Plaintiffs respectfully request that this Court grant preliminary approval of the Settlement  
8 Agreement as to the Rule 23 Class and approval of the Settlement Agreement as to the Collective.

9  
10 Date: July 30, 2021

Respectfully Submitted,

11 /s/ Michelle S. Lim

12 Carolyn H. Cottrell

13 Ori Edelstein

14 Michelle S. Lim

15 SCHNEIDER WALLACE

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21 Attorneys for Plaintiffs, and the Putative Class  
22 and Collective

23 **CERTIFICATE OF SERVICE**

24 I hereby certify that I electronically filed the foregoing document(s) with the Clerk of the  
25 Court for the United States District Court, Northern District of California, by using the Court’s  
26 CM/ECF system on July 30, 2021.

27 I certify that all participants in the case are registered CM/ECF users and that service will be  
28 accomplished by the Court’s CM/ECF system.

/s/ Michelle S. Lim  
Michelle S. Lim

# EXHIBIT 1

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7 State of California

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12 Attorneys for Defendants

13 **UNITED STATES DISTRICT COURT**  
14 **NORTHERN DISTRICT OF CALIFORNIA**

15 DAVID CHAVEZ and VINCENT  
16 SLAUGHTER, on behalf of themselves and all  
others similarly situated,

17 Plaintiffs,

18 vs.

19 STELLAR MANAGEMENT GROUP VII,  
20 LLC; STELLAR MANAGEMENT GROUP,  
INC. d/b/a QSI QUALITY SERVICE  
21 INTEGRITY; THE VINCIT COMPANY, LLC  
d/b/a THE VINCIT GROUP and VINCIT  
22 ENTERPRISES,

23 Defendants.

Case No. 3:19-cv-01353-JCS

**SECOND AMENDMENT TO CLASS  
ACTION SETTLEMENT AGREEMENT  
AND RELEASE**

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**SECOND AMENDMENT TO CLASS ACTION SETTLEMENT AGREEMENT**  
*Chavez, et al. v. Stellar Management Group VII, LLC, et al.*

**SECOND AMENDMENT TO CLASS ACTION SETTLEMENT AGREEMENT AND  
RELEASE**

Plaintiffs David Chavez and Vincent Slaughter (together, “Named Plaintiffs”), individually and as representatives of the proposed Settlement Class described herein, and Defendants Stellar Management Group VII, LLC; Stellar Management Group, Inc. d/b/a QSI Quality Service Integrity; and The Vincit Company, LLC d/b/a The Vincit Group and Vincit Enterprises (collectively, “Defendants”), hereby enter into this Second Amendment (the “Second Amendment”) to Class Action Settlement Agreement and Release (the “Settlement Agreement” or “Settlement”), that the Parties submitted to the Court on March 12, 2021 (Docket Number 134-2), and to the first Amendment to Class Action Settlement Agreement and Release, that was filed with the Court on May 7, 2021 (Docket Number 141-1, the “First Amendment”). Plaintiffs and Defendants are collectively referred to as the “Parties.”

The Parties make the following amendments to the Settlement Agreement and to the First Amendment:

1. Paragraph 2.b, providing the definition of the Aggrieved Employees, is replaced with the following revised Paragraph 2.b:

2.b. “Aggrieved Employees” means all individuals who worked in Covered Positions for Defendants in the State of California at any time during the PAGA Period.

2. Paragraph 2.e, providing the definition of Class List, is replaced with the following revised Paragraph 2.e:

2.e. “Class List” means the following information regarding Rule 23 Settlement Class Members, Collective Members, Opt-In Plaintiffs, and Aggrieved Employees that Defendants will in good faith compile from their records and provide to the Settlement Administrator: each such individual’s full name, last known mailing address, email address and telephone number (to the extent available in Defendants’ electronic business records), and Social Security Number. The Class List shall also include the total number of workweeks that each Rule 23 Settlement Class Member was employed in California in a Covered Position between March 13, 2015 through and including the date of Preliminary Approval, the total number or workweeks that each Aggrieved Employee was employed in California in a Covered Position during the PAGA Period, and the total number of workweeks that each Collective Member was employed in a Covered Position from and including March 13, 2016 through and including the date of Preliminary Approval. The Class List will also indicate whether each individual is an Opt-In Plaintiff and/or an Aggrieved Employee, and whether any Rule 23 Settlement Class Members were or are former employees of Defendants.

3. Paragraph 2.p, providing the definition of the FLSA Settlement Collective, is replaced with the following revised Paragraph 2.p:

2.p. “FLSA Settlement Collective” or “Collective Members” means a certified collective for settlement purposes only pursuant to 29 U.S.C. § 216(b), and includes all individuals

who were employed by Defendants in a Covered Position anywhere in the United States of America at any time between March 13, 2016 and the date the Court grants preliminary approval of the Settlement.

4. Paragraph 2.t, providing the definition of the Opt-In Plaintiffs, is replaced with the following revised Paragraph 2.t:

2.t. “Opt-In Plaintiffs” include Plaintiff Slaughter, all individuals who prior to the date of the Court’s Preliminary Approval Order have filed a consent form to join this Action, and all additional Collective Members who opt in to the litigation and consent to the terms of the Settlement by negotiating the check in the gross amount of his or her Settlement Award.

5. Paragraph 2.ee, providing the definition of the Rule 23 Settlement Class Members, is replaced with the following revised Paragraph 2.ee:

2.ee. “Rule 23 Settlement Class Members” means Plaintiffs and all individuals employed by Defendants in a Covered Position in the State of California at any time between March 13, 2015 and the date the Court grants preliminary approval of the Settlement.

6. Paragraph 2.ii as added to provide the following “Covered Position” definition:

2.ii. “Covered Position” means each of Defendants’ hourly, non-exempt employee positions, with the exception of administrative and office clerks and any positions in which the employee works or worked exclusively from Defendants’ corporate offices.

7. Paragraph 17.c, providing the PAGA claims released by Participating Aggrieved Employees, is replaced with the following revised Paragraph 17.c:

17.c. PAGA Claims: The Parties agree that there shall be no right for any Aggrieved Employee to opt out or otherwise exclude himself or herself from the PAGA component of the Settlement. The Parties intend and agree that the Final Approval Order and the Judgment entered as a result of this Settlement shall have *res judicata* and preclusive effect to the fullest extent allowed by law.

8. The first sentence of Paragraph 18, describing where the release language for each Settlement Award check will be located, is replaced with the following:

18. Release Language on Settlement Checks. The Settlement Administrator shall include the following release language on the back of each Settlement Award check, or on the check stub if the following release language does not fit on the back of the Settlement Award check, as appropriate for (a) Collective Members (b) Aggrieved Employees, and (b) Participating Class Members:

9. Paragraph 18(a), providing the release language on the back of each Settlement Award check for Collective Members, is replaced with the following revised Paragraph 18(a):

18(a). For Collective Members Who Are Not Rule 23 Settlement Class Members: “This check is your settlement payment in connection with the court-approved collective action Settlement in *Chavez, et al. v. Stellar Management Group VII, LLC, et al.*, N.D. Cal. Case No.: 3:19-cv-01353-JCS (N.D. Cal.). By signing or cashing your check, you acknowledge that you have read the Collective Notice, that you consent to having a United States magistrate judge conduct all further proceedings in this case under 28 U.S.C. § 636(c), that you consent to join the Collective Action, and participate in the Settlement and that you are releasing the Released FLSA Claims against the Releasees.”

For Collective Members Who Are Rule 23 Settlement Class Members But Who Opt-Out of the Rule 23 Portion of the Settlement: “You previously opted-out of the class action portion of the Settlement in *Chavez, et al. v. Stellar Management Group VII, LLC, et al.*, N.D. Cal. Case No.: 3:19-cv-01353-JCS (N.D. Cal.), but you have the option to participate in the collective action portion of this Settlement. This check is your settlement payment in connection with the court-approved collective action Settlement. By signing or cashing your check, you acknowledge that you have read the Class Notice, that you consent to having a United States magistrate judge conduct all further proceedings in this case under 28 U.S.C. § 636(c), that you consent to join the Collective Action and participate in the Settlement and that you are releasing the Released FLSA Claims against the Releasees.”

10. Paragraph 32.a.ii, providing the calculation for which Participating Class and Collective Members receive a *pro rata* portion of the Net Settlement Amount, is replaced with the following revised Paragraph 32.a.ii:

32.a.ii. For each week during which a Participating Class Member, was employed as a non-exempt employee by at least one of the Defendants at any time from March 13, 2015 until the date of Preliminary Approval of the Settlement, and for each week during which a Collective Member was employed as a non-exempt employee by at least one of the Defendants at any time from March 13, 2016 until the date of Preliminary Approval of the Settlement, he or she shall be eligible to receive a *pro rata* portion of the Net Settlement Amount based on the number of workweeks he or she was employed during such period. Each workweek during which the individual was employed outside the State of California during the relevant time period will be equal to one (1) settlement share. To reflect the increased value of claims under California law, workweeks during which a Participating Class Member was employed in California will be equal to three (3) settlement shares. In addition, because only Participating Class Members who are or were former employees would have standing to bring claims for penalties under California Labor Code Section 203, Participating Class Members whose employment with any of Defendants terminated at any point during the period from March 13, 2016 until the date of Preliminary Approval of the Settlement will each receive an additional nineteen (19) settlement shares to reflect the added value of their released claims pursuant to the Settlement.

11. Paragraph 41, providing the time period during which all Settlement Award checks are valid and negotiable, is replaced with the following revised Paragraph 41:

41. All Participating Individuals will have one hundred eighty (180) days from the date

of issuance of the first Settlement Award check pursuant to Paragraph 40 to negotiate, cash, or deposit their Settlement Award checks. At the end of the one hundred eighty (180) day period, any Settlement Awards may thereafter automatically be canceled if not cashed within that time, at which time the right to recover any Settlement Award will be deemed void and of no further force and effect. With ninety (90) days remaining, a reminder letter will be sent via U.S. mail and, if applicable, email to those who have not yet cashed their settlement check, and during the last sixty (60) days of the check cashing period, a call will be placed to those that have still not cashed their check to remind them to do so. If a check has not been cashed within sixty (60) days of issuance, the Settlement Administrator shall cancel the original check issued and shall promptly attempt to obtain a valid mailing address by performing a skip trace search for those individuals and send second checks to the updated address, or if no update is obtained, to the last known address. These second checks will remain negotiable for one hundred eighty (180) days from the date of the issuance of the first settlement check. Regardless of whether they cash their Settlement Award Checks, Named Plaintiffs and Participating Class Members shall be deemed to have finally and forever released the Named Plaintiffs' Released Claims and Released Class Claims, respectively, and, as provided in Section 17.c, the Settlement and the Final Order and Judgment entered thereon shall have *res judicata* and preclusive effect on all Participating Individuals.

- 12. The attached Exhibit E – the Notice of Class Action Settlement to be sent to the Rule 23 Settlement Class and Aggrieved Employees in English and in Spanish – shall replace the Exhibit C attached to the First Amendment and the original Exhibit A attached to the Settlement Agreement.
- 13. The attached Exhibit F – the Notice of Collective Action Settlement to be sent to the Collective Members who are not members of the Rule 23 Settlement Class in English and Spanish – shall replace the Exhibit D attached to the First Amendment and the original Exhibit B attached to the Settlement Agreement.
- 14. The Parties enter into this Amendment through their respective counsel of record pursuant to Paragraph 55 of the Settlement Agreement. This Amendment may be executed in one or more counterparts, including by facsimile or email. All executed counterparts and each of them shall be deemed to be one and the same instrument. All executed copies of this Agreement, and photocopies thereof (including facsimile and/or emailed copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.

**IN WITNESS WHEREOF**, the Parties and their Counsel have executed this Settlement Agreement as follows:

**PLAINTIFF:** \_\_\_\_\_ Date: \_\_\_\_\_, 2021  
 David Chavez



**PLAINTIFF:** \_\_\_\_\_  
Vincent Slaughter

Date: \_\_\_\_\_, 2021

**APPROVED AS TO FORM BY CLASS COUNSEL:**

\_\_\_\_\_  
Carolyn Hunt Cottrell  
Ori Edelstein  
Michelle S. Lim  
SCHNEIDER WALLACE  
COTTRELL KONECKY LLP  
2000 Powell Street, Suite 1400  
Emeryville, California 94608

Date: \_\_\_\_\_, 2021

**DEFENDANT:**

*Rent C Bullard*  
On behalf of Stellar Management  
Group VII, LLC

Date: July 29, 2021

**DEFENDANT:**

*Rent C Bullard*  
On behalf of Stellar Management Group,  
Inc. d/b/a QSI Quality Service Integrity

Date: July 29, 2021

**DEFENDANT:**

*Rent C Bullard*  
On behalf of The Vincit Company, LLC  
d/b/a The Vincit Group and Vincit Enterprises

Date: July 29, 2021

**APPROVED AS TO FORM BY DEFENDANTS' COUNSEL:**

*Steven T*  
Koray J. Bulut  
Stephen L. Tausch  
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Three Embarcadero Center  
San Francisco, California 94111

Date: July 30, 2021

# **EXHIBIT E**

*Chavez, et al. v. Stellar Management Group VII, LLC, et al.,  
Case No. 3:19-cv-01353-JCS (N.D. Cal.)*

**NOTICE OF CLASS ACTION SETTLEMENT**  
**PLEASE READ THIS NOTICE CAREFULLY.**

*A federal court authorized this notice. This is not a solicitation from a lawyer.*

You have been sent this Notice because there is a proposed settlement (the “Settlement”) of a class and collective action lawsuit that Plaintiffs David Chavez and Victor Slaughter (“Plaintiffs”) filed against Stellar Management Group VII, LLC; Stellar Management Group, Inc. d/b/a QSI Quality Service Integrity; and The Vincit Company, LLC d/b/a The Vincit Group and Vincit Enterprises (collectively, “Defendants”). Defendants’ records show that you were employed as a non-exempt employee by Defendants in the State of California at some time between March 13, 2015 and [date of preliminary approval] and that you did not exclusively work in Defendants’ corporate offices or as an administrative or office clerk and are therefore eligible to participate in the Settlement. The purpose of this Notice is to inform you of the pending Settlement and your rights under it.

Please understand that this is not a notice of a lawsuit against you. You have not been sued. You are not required to appear in Court in response to this Notice. Please review this Notice and consider your options carefully.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT</b>	
<b>DO NOTHING</b>	If you do nothing, you will be sent a settlement payment upon final approval of the Settlement, and the releases of claims under California law will apply to you. By cashing your settlement check, you will also release claims under federal law, as described below in Section 6.
<b>EXCLUDE YOURSELF OR “OPT OUT”</b>	<p>If you “opt out” of the lawsuit and choose not to be part of the Settlement as described below in Section 6, the release of claims under federal law and California law will not apply to you, and you <u>will not</u> receive any payment under this Settlement, except as described in the following sentence.</p> <p>If you are an Aggrieved Employee (defined below), you will receive a pro rata portion of the Net PAGA Amount (defined below) whether or not you “opt out” of the Settlement.</p>

<b>OBJECT</b>	You may write an objection to the Court stating why you do not like the Settlement, as described below in Section 6. You may also appear in Court and explain why you do not like the Settlement or use an attorney to appear for you. If you object, this does not mean you opt out of the Settlement (as explained below, if you opt out of the Settlement, you will not be permitted to object to the Settlement).
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### 1. Why Should You Read This Notice?

This Notice explains your right to share in the monetary proceeds of this Settlement, exclude yourself from (or “opt out” of) the Settlement, or object to the Settlement. If you object to the Settlement, you cannot opt out of the Settlement, and you will be bound by the terms of Settlement in the event the Court denies your objection.

The United States District Court for the Northern District of California has preliminarily approved the Settlement as fair and reasonable. The Court will hold a Final Approval Hearing on [REDACTED], 2021 at [REDACTED], before the Honorable Chief Magistrate District Judge Joseph C. Spero remotely via the online platform Zoom, <https://cand-uscourts.zoomgov.com/j/1619260804?pwd=RE5qWDhGOTdWWTZUOFIOKzhNc3pjZz09>, Webinar ID: 161 926 0804, Password: 050855, Dial in: US: +1 (669) 254-5252 or +1 (646) 828-7666, International numbers: <https://cand-uscourts.zoomgov.com/u/advFLxrTkx>.

### 2. What Is This Case About?

The claims in this lawsuit are brought under California law and under the federal Fair Labor Standards Act (“FLSA”).

The lawsuit alleges that individuals whom Defendants employed as non-exempt employees in California, between March 13, 2015 and [date of preliminary approval] and that did not exclusively work at Defendants’ corporate offices or as administrative or office clerks were not provided meal and rest breaks, were not compensated for all hours worked, were not paid minimum, straight time, overtime, or double time wages, were not paid all wages due upon termination, were not provided timely and compliant itemized wage statements, and were not reimbursed for necessary business expenses. This lawsuit seeks recovery of unpaid wages, statutory damages, civil penalties under the California Labor Code Private Attorneys General Act (“PAGA”), unreimbursed business-related expenses, restitution, interest, attorneys’ fees and costs.

The lawsuit also alleges that individuals whom Defendants employed as non-exempt employees throughout the United States, between March 13, 2016 and [date of preliminary approval] and that did not exclusively work at Defendants’ corporate offices or as administrative or office clerks and

were not appropriately paid minimum and overtime wages pursuant to the requirements of the FLSA.

Defendants deny these claims and believe that they have strong legal and factual defenses to them. Defendants also do not believe that Plaintiffs' claims meet the requirements for class or collective certification. Nevertheless, in order to avoid the expense and delay associated with further litigation and appeals, Defendants have chosen to settle this matter and to make payments to current and former employees.

This Settlement is the result of good faith, arm's length negotiations between Plaintiffs and Defendants, through their respective attorneys. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair and appropriate under the circumstances, and in the best interests of the Rule 23 Settlement Class Members. This Settlement is a compromise and is not an admission of liability on the part of Defendants.

The Court has not ruled on the merits of Plaintiffs' claims or Defendants' defenses.

The Settlement Administrator has created a Settlement website, which can be accessed at [INSERT URL]. The Settlement website allows interested persons to view the Settlement Agreement, all papers filed by Class Counsel to obtain Court approval of the Settlement Agreement, and this Notice of Settlement (in generic form). The Settlement website also provides contact information for Class Counsel and the Settlement Administrator.

### **3. How Will The Settlement Payment Be Distributed?**

The total settlement amount is \$4,250,000.00, which Defendants will pay into a settlement fund. This amount will mostly be distributed to the current and former employees who meet the definitions for participating in the Settlement, but it will also be used to pay for attorneys' fees and costs awarded by the Court, any enhancement payments to Plaintiffs that are awarded by the Court, the Settlement Administrator's costs, a payment to the California Labor and Workforce Development Agency (LWDA) that is required by PAGA, as well as employers' share of any payroll taxes to be paid in connection with the Settlement (e.g., FICA, FUTA, payroll taxes, or any similar taxes or charges).

The attorneys for Plaintiffs and the Settlement Class (referred to as "Class Counsel") will ask the Court to award them 1/3 of the settlement amount, which is \$1,416,666.52, to compensate them for their services in this matter. Class Counsel will also request reimbursement for their costs spent in litigating this case, not to exceed \$50,000. Class Counsel will file a motion with the Court setting forth the bases for their requested costs and fees.

Plaintiffs David Chavez and Vincent Slaughter will ask the Court to award them \$12,000 and \$10,000, respectively, for their role as the named plaintiffs prosecuting this lawsuit on the behalf of all Class Members. This payment would also come from the settlement fund.

The Settlement Administrator's costs are capped at \$85,000, and this payment will also come from the settlement fund.

The payment to the LWDA and Aggrieved Employees in connection with the PAGA component of the Settlement will be \$30,000, and this payment will also come from the settlement fund.

The remainder of the settlement fund after subtracting the amounts described above is the Net Settlement Amount that will be distributed to Participating Individuals.

**4. If I Choose To Participate In The Settlement, How Do I Receive Payment And How Much Can I Expect To Receive?**

You do not need to do anything to be sent your settlement payment. Just watch your mail for a check and cash it when you get it. You will have 180 days from issuance of the check to cash it. If you do not cash your check within 60 days of issuance of the check, your original check will be cancelled, the Settlement Administrator will attempt to obtain an updated address for you, and you will promptly be issued a second check to your updated or last known address. You will be able to cash that second check within 180 days from issuance of the original check (i.e., if your second check is issued 60 days after your original check is issued, you will have 120 days from issuance to cash your second check).

According to records maintained by Defendants, your total estimated settlement payment will be at least \$ [REDACTED]. This amount is an estimated amount, and your final settlement payment is expected to differ from this amount (i.e., it could be higher or lower) and will be calculated as set forth below. All Settlement Award determinations will be based on Defendants' timekeeping, payroll, and/or other records for Settlement Class members. Based on Defendants' records, you are estimated to have worked [REDACTED] workweeks for at least one of the Defendants during the relevant period in the State of California, and [REDACTED] workweeks for at least one of the Defendants during the relevant period in the United States of America, outside of the State of California.

If you dispute the number of workweeks as shown on this Notice of Settlement, you may produce evidence to the Settlement Administrator establishing the dates you contend to have worked for Defendants. To do so, send a letter to the Settlement Administrator explaining the basis for your dispute and attach copies of the supporting evidence. Unless you present convincing evidence proving you worked more workweeks than shown by Defendants' records, your Settlement Award will be determined based on Defendants' records. Any disputes must be postmarked by [INSERT DATE] and should be mailed to [INSERT SETTLEMENT ADMINISTRATOR ADDRESS]. The Settlement Administrator will notify you of the decision on the dispute.

Payments to participating Rule 23 Settlement Class Members will be calculated on the number of eligible workweeks. Each participating Rule 23 Settlement Class Member will be eligible to receive a *pro rata* share of the Net Settlement Amount based on the total number of eligible workweeks that the individual was employed by Defendants from March 13, 2015, through the date of [date of preliminary approval] in the state of California. Participating Individuals will receive a *pro rata* share of the Net Settlement Amount as follows:

1. For each week during which the Participating Individual was employed by at least one of the Defendants at any time from March 13, 2015 for Rule 23 Settlement Class Members, and from March 13, 2016 or three years prior to the Opt-In Date

for Collective Members who timely Opt-In to this Action, through the Notice Deadline, he or she shall be eligible to receive a *pro rata* portion of the Net Settlement Amount based on the number of workweeks the Participating Individual worked. Each workweek will be equal to one (1) settlement share. To reflect the increased value of state law claims, workweeks during which work was performed in California will be equal to three (3) settlement shares. To reflect the value of additional claims former employees have standing to bring under the California Labor Code, Participating Class Members whose employment with any of Defendants terminated at any point during the period from March 13, 2016 until [date of preliminary approval], will each receive an additional nineteen (19) settlement shares .

2. The total number of settlement shares for all Participating Individuals will be added together and the resulting sum will be divided into the Net Settlement Amount to reach a per share dollar figure. That figure will then be multiplied by each Participating Individual's number of settlement shares to determine the Participating Individual's share of the Net Settlement Amount.

When calculating the individual Settlement Awards for purposes of these Notices of Settlement, the Settlement Administrator has assumed that no Rule 23 Settlement Class Members opt-out and all Collective Members opt-in. When calculating the individual Settlement Awards to Rule 23 Settlement Class Members following Final Approval (for purposes of preparing individual Settlement Award checks), the Settlement Administrator will not include Rule 23 Settlement Class Members who validly request exclusion from the Settlement or any Collective Member who fails to timely opt-in to this Action. This means that for purposes of the Notices of Settlement, the Settlement Administrator has assumed that all potential Rule 23 Settlement Class Members and Collective Members will participate in this Settlement, even though that may not remain the case following Final Approval. It is thus likely that your total estimated settlement payment will be higher than indicated in this Notice.

Whether or not they otherwise opt out of the Settlement, Aggrieved Employees who worked for Defendants between October 19, 2017 and [date of preliminary approval] (the "PAGA Period") in the state of California will be Participating Individuals for purposes of the settlement of the PAGA claim in the lawsuit and will receive a *pro rata* share of the Net PAGA Amount (i.e., \$7,500.00) based on their number of workweeks employed by Defendants as non-exempt employees during the PAGA Period.

For tax reporting purposes, Settlement Awards to Participating Individuals will be allocated as follows: any portion of each Settlement Award that is provided from the Net PAGA Amount shall be allocated as penalties; for the remainder of each Settlement Award, twenty percent (20%) of each Settlement Award shall be allocated as wages, sixty (60%) of each Settlement Award shall be allocated as penalties and interest, and twenty percent (20%) of each Settlement Award shall be allocated as expense reimbursements. None of the Parties or attorneys makes any representations concerning the tax consequences of this Settlement or your participation in it. Participating Individuals should consult with their own tax advisors concerning the tax consequences of the Settlement.

If you participate in the Settlement, you will have 180 days to cash the check that will be sent to you as provided above. If at the conclusion of the 180-day check void period, there are any uncashed checks, those monies will be paid to the Parties' agreed upon *cy pres* recipient, Legal Aid at Work, subject to the Court's approval in the Final Approval Order, if the total residual amount is less than \$50,000. If the total residual amount is \$50,000 or greater, a second distribution will occur to those Participating Individuals who cashed their check on a *pro rata* basis.

**It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your monetary Settlement Award. If you fail to keep your address current, you may not receive your Settlement Award.**

## 5. What Claims Are Released Under The Settlement?

Upon Final Approval of the Settlement Agreement and payment of amounts set forth under the Settlement, Participating Individuals release claims as follows ("Released Claims") against Defendants, their present and former parent companies, subsidiaries, related or affiliated companies, and their shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity that could be liable for any of the Released Claims (collectively, the "Releasees"):

- Released California Class Claims: Members of the Rule 23 Settlement Class who do not request exclusion from the settlement shall release the Released Class Claims, which include all claims, penalties, costs, expenses, attorneys' fees, liabilities, damages, actions or causes of action of every nature and description, known and unknown, that were pled or could have been pled based on the factual allegations in the Second Amended Complaint, through [date of Preliminary Approval], including, statutory, constitutional, contractual or common law claims for wages (including minimum wage, overtime, and premium wages,), damages, business expenses, or penalties (including waiting time penalties), liquidated damages, punitive damages, interest, restitution, equitable relief, or other relief, based on applicable statutes (including without limitation the California Labor Code, the California Industrial Welfare Commission wage orders, Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, et seq.) ("PAGA"), California Business and Professions Code § 17200, et seq., or other law, including, but not limited to, claims based on the following categories of allegations: (a) claims for unpaid overtime; (b) claims for meal and rest period violations; (c) claims for unpaid minimum wages; (d) claims for untimely payment of wages upon termination; (e) claims for untimely payment of wages during employment; (f) claims for failure to pay wages; (g) claims for failure to provide accurate or otherwise proper itemized wage statements; (h) claims for failure to keep complete and accurate payroll records; (i) claims for failure to reimburse necessary business-related expenses and costs; (j) claims asserted, or which could have been asserted, under PAGA arising out of the aforementioned claims; (k) claims asserted through California Business & Professions Code § 17200 et seq. arising out of the aforementioned claims; and (l) other claims for penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, equitable relief, or additional damages that were pled or could have been pled based on the factual allegations in the Second Amended Complaint.

Members of the Rule 23 Settlement Class who do not timely and validly request exclusion from the Settlement shall also release any and all claims, penalties, costs, expenses, attorneys' fees, liabilities, damages, actions or causes of action of whatever kind or nature under the Fair Labor Standards Act, 29 U.S.C. §§ 201, et seq., through the date of Preliminary Approval of the Settlement, known and unknown, which were or could have been made based on the facts pled in the Second Amended Complaint in the Federal Action.

- **PAGA Claims:** Aggrieved Employees cannot opt out or otherwise exclude themselves from the PAGA component of the Settlement.
- As set forth above, the Released Class Claims encompass known and unknown claims which were or could have been made based on the facts pled in the Second Amended Complaint in the Federal Action. Accordingly, the participating members of the Rule 23 Settlement Class acknowledge, waive, and relinquish all rights they have or may have based on the facts pled in the Second Amended Complaint in the Federal Action with respect to, respectively, the Released Class Claims, under Section 1542 of the California Civil Code, which states as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

*In addition, if you cash or deposit your Settlement check, you will also be deemed to have opted-in to this action pursuant to the FLSA and will thereby release, and agree to release, the Released FLSA Claims, which include any and all claims, penalties, costs, expenses, attorneys' fees, liabilities, damages, actions or causes of action of whatever kind or nature under the FLSA through [date of Preliminary Approval], known and unknown, which were or could have been made based on the facts pled in the Second Amended Complaint in the lawsuit.*

## 6. What Are My Rights?

- **Do Nothing:** If you are a Rule 23 Settlement Class Member and do not timely and validly opt-out, you will automatically become a part of the Settlement Class and receive your prorated Settlement Award, and will be bound by the Settlement including its release provisions.
- **Opt-Out:** If you are a member of the Rule 23 Settlement Class and do not wish to be bound by the Settlement, you must submit a written request for exclusion from the Settlement ("opt-out"), postmarked by [INSERT]. The written request for exclusion must contain your full name, address, telephone number, email address (if applicable), last four digits of your social security number, and must be signed individually by you. No opt-out request may be made on behalf of a group. The opt-out request must be sent by mail to the Settlement Administrator at [INSERT SETTLEMENT ADMINISTRATOR ADDRESS]. **Any person who requests exclusion (opts out) of the settlement will not be entitled to any Settlement Award and will not be bound by the Settlement Agreement or have any right to object, appeal or comment thereon.** (Notwithstanding the foregoing, you cannot

opt out or otherwise exclude yourself from the PAGA component of the Settlement—if you are an Aggrieved Employee, whether or not you submit a written request for exclusion from the Settlement, you will receive a pro rata portion of the Net PAGA Amount described above.)

- **Object:** If you received this Notice and wish to object to the Settlement, you must submit a written statement objecting to the Settlement by [INSERT DATE]. The statement must state the factual and legal grounds for your objection to the settlement. The statement must state your full name, address, telephone number, and email address (if applicable), and must be signed by you. The statement must be mailed to the Court at the following address: United States District Court, Office of the Clerk, 450 Golden Gate Avenue, San Francisco, California 94102-3489. You must also mail a copy of your objection to counsel for Defendants and Class Counsel, at the addresses listed in Section 8 of this Notice by [INSERT DATE].

You may also, if you wish, appear at the Final Approval Hearing to discuss your objection with the Court and the parties to the Lawsuit. If you mailed a written objection, your written objection must state whether you will attend the Final Approval Hearing, and your written notice of your intention to appear at the Final Approval Hearing must be filed with the Court and served upon Class Counsel and Defendants' counsel on or before the Notice Deadline. To be heard at the Final Approval Hearing you must also not opt out of the Settlement. The postmark date of mailing to Class Counsel and Defendants' counsel shall be the exclusive means for determining that an objection is timely mailed to counsel. Objections shall only be considered if the Settlement Class Member has not opted out of the Settlement. The failure to submit a written objection as a prerequisite to appearing in court to object to the settlement may be excused upon a showing of good cause.

You may also withdraw your objection in writing by mailing a withdrawal statement to the Court and counsel for the Parties postmarked no later than [INSERT DATE – 10 business days before final approval hearing], orally at the Final Approval hearing, or as otherwise ordered by the Court.

#### **7. Can Defendants Retaliate Against Me for Participating in this Lawsuit?**

No. Your decision as to whether or not to participate in this Lawsuit will in no way affect your work or employment with Defendants or future work or employment with Defendants. It is unlawful for Defendants to take any adverse action against you as a result of your participation in this Lawsuit. In fact, Defendants encourage you to participate in this Settlement.

**8. Who Are the Attorneys Representing Plaintiff and the Settlement Class?**

Plaintiff and the Settlement Class are represented by the following attorneys acting as Class Counsel:

Carolyn H. Cottrell

Ori Edelstein

Michelle S. Lim

**SCHNEIDER WALLACE**

**COTTRELL KONECKY LLP**

2000 Powell Street, Suite 1400

Emeryville, CA 94608

Telephone: (800) 689-0024

Facsimile: (415) 421-7105

**9. How Will the Attorneys for the Settlement Class Be Paid?**

Class Counsel will be paid from the Gross Settlement Amount of \$4,250,000. You do not have to pay the attorneys who represent the Settlement Class. The Settlement Agreement provides that Class Counsel will receive attorneys' fees of up to one-third (1/3) of \$4,250,000.00 (i.e., \$1,416,666.52) plus their out-of-pocket costs, not to exceed \$50,000.00. Class Counsel will file a Motion for Attorneys' Fees and Costs with the Court. The amount of attorneys' fees and costs awarded will be determined by the Court at the Final Approval Hearing.

**10. Where can I get more information?**

If you have questions about this Notice, or the Settlement, or if you did not receive this Notice in the mail and you believe that you are or may be a member of the Settlement, you should contact the Class Counsel.

This Notice is only a summary. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available at the Settlement website at [INSERT URL], or by contacting Class Counsel toll-free at (800) 689-0024, by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>.

**PLEASE DO NOT CONTACT THE COURT, THE CLERK OF THE COURT, THE JUDGE, OR DEFENDANTS FOR INFORMATION ABOUT THE PROPOSED SETTLEMENT OR THIS LAWSUIT.**

# **EXHIBIT F**

*Chavez, et al. v. Stellar Management Group VII, LLC, et al.,  
Case No. 3:19-cv-01353-JCS (N.D. Cal.)*

**NOTICE OF COLLECTIVE ACTION SETTLEMENT**  
**PLEASE READ THIS NOTICE CAREFULLY.**

*A federal court authorized this notice. This is not a solicitation from a lawyer.*

You have been sent this Notice because there is a proposed settlement (the “Settlement”) of a collective action lawsuit that Plaintiffs David Chavez and Victor Slaughter (“Plaintiffs”) filed against Stellar Management Group VII, LLC; Stellar Management Group, Inc. d/b/a QSI Quality Service Integrity; and The Vincit Company, LLC d/b/a The Vincit Group and Vincit Enterprises (collectively, “Defendants”). You are receiving this Notice either because you previously completed an Opt-In Consent Form to join this case or because Defendants’ records show that you were employed by Defendants as a non-exempt employee in the United States at some time between March 13, 2016 and [date of preliminary approval] and that you did not work exclusively at Defendants’ corporate offices or as administrative or office clerks. The purpose of this Notice is to inform you of the pending Settlement and your rights under it.

Please understand that this is not a notice of a lawsuit against you. You have not been sued. You are not required to appear in Court in response to this Notice. Please review this Notice and consider your options carefully.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT</b>	
<b>CASH THE CHECK YOU WILL RECEIVE IF THE SETTLEMENT IS APPROVED, WHICH WILL CONTAIN YOUR PORTION OF THE SETTLEMENT</b>	If you cash the check you will be sent in the mail in this matter in several months, you will be “opting in” to the Settlement, and the Settlement and the release of claims described below will apply to you. (Please note that the check is not enclosed with this notice—it will be sent later if the Court finally approves the Settlement.)
<b>DO NOT CASH THE CHECK YOU WILL RECEIVE</b>	If you do not cash the check, you will be choosing not to be part of the Settlement, and the release of claims will not apply to you

**1. Why Should You Read This Notice?**

This Notice explains your right to share in the monetary proceeds of this Settlement by “opting in” to the Settlement and the procedure to opt in. **If you do not “opt in” to the settlement by cashing the check you will receive if the Settlement is finally approved, you will not receive a Settlement Award and will not be bound by the Settlement Agreement.**

The United States District Court for the Northern District of California has preliminarily approved the Settlement as fair and reasonable. The Court will hold a Final Approval Hearing on [REDACTED], 2021 at [REDACTED], before the Honorable Chief Magistrate District Judge Joseph C. Spero remotely via the online platform Zoom, <https://cand-uscourts.zoomgov.com/j/1619260804?pwd=RE5qWDhGOTdWWTZUOFIOKzhNc3pjZz09>, Webinar ID: 161 926 0804, Password: 050855, Dial in: US: +1 (669) 254-5252 or +1 (646) 828-7666, International numbers: <https://cand-uscourts.zoomgov.com/u/advFLxrTkx>.

## **2. What Is This Case About?**

This lawsuit alleges that individuals whom Defendants employed as non-exempt employees throughout the United States, between March 13, 2016 and [date of preliminary approval] and that did not work exclusively at Defendants’ corporate offices or as administrative or office clerks were not compensated for all hours worked, were not properly paid minimum, straight time, or overtime wages. This lawsuit seeks recovery of unpaid wages, statutory damages, civil penalties interest, attorneys’ fees and costs. The claims in this lawsuit are brought under federal law.

Defendants contend that they have strong legal and factual defenses to these claims, but they recognize the risks, distractions, and costs associated with litigation. Defendants contend that the wage and hour policies and practices at issue are lawful and have been lawful throughout the relevant time period. Defendants also contend that Plaintiffs’ claims do not meet the requirements for a collective action.

This Settlement is the result of good faith, arm’s length negotiations between Plaintiff and Defendants, through their respective attorneys. Both sides agree that in light of the risks and expenses associated with continued litigation, this Settlement is fair and appropriate under the circumstances, and in the best interests of the Collective Members. This Settlement is a compromise and is not an admission of liability on the part of Defendants.

The Court has not ruled on the merits of Plaintiffs’ claims or Defendants’ defenses.

The Settlement Administrator has created a Settlement website, which can be accessed at [INSERT URL]. The Settlement website allows interested persons to view the Settlement Agreement, all papers filed by Class Counsel to obtain Court approval of the Settlement Agreement, and this Notice of Settlement (in generic form). The Settlement website also provides contact information for Class Counsel and the Settlement Administrator.

## **3. How Will The Settlement Payment Be Distributed?**

The total settlement amount is \$4,250,000.00, which Defendants will pay into a settlement fund. This amount will mostly be distributed to the current and former employees who meet the

definitions for participating in the Settlement (which includes individuals like you who work or worked for Defendants outside California and individuals who work or worked for Defendants in California). The settlement amount will also be used to pay for attorneys' fees and costs awarded by the Court, any enhancement payments to Plaintiffs that are awarded by the Court, the Settlement Administrator's costs, and a payment to the California Labor and Workforce Development Agency (LWDA) that is required by the Labor Code Private Attorneys General Act of 2004 (PAGA), as well as employers' share of any payroll taxes to be paid in connection with the Settlement (e.g., FICA, FUTA, payroll taxes, or any similar taxes or charges).

The attorneys for Plaintiffs and the Settlement Class (referred to as "Class Counsel") will ask the Court to award them 1/3 of the settlement amount, which is \$1,416,666.52, to compensate them for their services in this matter. Class Counsel will also request reimbursement for their costs spent in litigating this case, not to exceed \$50,000. Class Counsel will file a motion with the Court setting forth the bases for their requested costs and fees.

Plaintiffs David Chavez and Vincent Slaughter will ask the Court to award them \$12,000 and \$10,000, respectively, for their role as the named plaintiffs prosecuting this lawsuit on the behalf of all Class Members. This payment would also come from the settlement fund.

The Settlement Administrator's costs are capped at \$85,000, and this payment will also come from the settlement fund.

The payment to the LWDA and Aggrieved Employees in connection with the PAGA component of the Settlement will be \$30,000, and this payment will also come from the settlement fund.

The remainder of the settlement fund after subtracting the amounts described above is the Net Settlement Amount that will be distributed to Participating Individuals.

#### **4. How Much Can I Expect to Receive?**

According to records maintained by Defendants, your total estimated settlement payment will be at least \$[REDACTED]. This amount is an estimated amount, and your final settlement payment is expected to differ from this amount (i.e., it could be higher or lower) and will be calculated as set forth above. All Settlement Award determinations will be based on Defendants' timekeeping, payroll, and/or other records for Settlement Class members. Based on Defendants' records, you are estimated to have worked [REDACTED] workweeks for at least one of the Defendants during the relevant period in the United States. **To receive payment under the settlement as a Collective Member, you MUST cash the settlement check you that will be sent to you in several months.**

You will have 180 days from issuance of the check to cash it. If you do not cash your check within 60 days of issuance of the check, your original check will be cancelled, the Settlement Administrator will attempt to obtain an updated address for you, and you will promptly be issued a second check to your updated or last known address. You will be able to cash that second check within 180 days from issuance of the original check (i.e., if your second check is issued 60 days after your original check is issued, you will have 120 days from issuance to cash your second check).

If you dispute the number of workweeks as shown on this Notice of Settlement, you may produce evidence to the Settlement Administrator establishing the dates you contend to have worked for Defendants. To do so, send a letter to the Settlement Administrator explaining the basis for your dispute and attach copies of the supporting evidence. Unless you present convincing evidence proving you worked more workweeks than shown by Defendants' records, your Settlement Award will be determined based on Defendants' records. Any disputes must be postmarked by [INSERT DATE] and should be mailed to [INSERT SETTLEMENT ADMINISTRATOR ADDRESS]. The Settlement Administrator will notify you of the decision on the dispute.

Payments to participating Collective Members will be calculated on the number of eligible workweeks. Each participating Collective Member will be eligible to receive a *pro rata* share of the Net Settlement Amount based on the total number of eligible workweeks that the individual worked for Defendants from March 13, 2016, through the date of [date of preliminary approval]. Participating Individuals will receive a *pro rata* share of the Net Settlement Amount as follows:

1. For each week during which the Participating Individual was employed by at least one of the Defendants at any time from March 13, 2015 (for Rule 23 Settlement Class Members), and from March 13, 2016 or three years prior to the Opt-In Date (for Collective Members who timely Opt-In to this Action), through the date of [date of preliminary approval], he or she shall be eligible to receive a *pro rata* portion of the Net Settlement Amount based on the number of workweeks the Participating Individual was employed. Each workweek will be equal to one (1) settlement share. To reflect the increased value of state law claims, workweeks during a Participating Individual was employed in California will be equal to three (3) settlement shares. To reflect the value of additional claims former California-based employees have standing to bring under the California Labor Code, Participating Class Members whose employment with any of Defendants terminated at any point from March 13, 2016 until [date of preliminary approval], will each receive an additional nineteen (19) settlement shares.
2. The total number of settlement shares for all Participating Individuals will be added together and the resulting sum will be divided into the Net Settlement Amount to reach a per share dollar figure. That figure will then be multiplied by each Participating Individual's number of settlement shares to determine the Participating Individual's share of the Net Settlement Amount.

When calculating the individual Settlement Awards for purposes of these Notices of Settlement, the Settlement Administrator has assumed that no Rule 23 Settlement Class Members opt out and all Collective Members opt in. When calculating the individual Settlement Awards to Rule 23 Settlement Class Members following Final Approval (for purposes of preparing individual Settlement Award checks), the Settlement Administrator will not include Rule 23 Settlement Class Members who validly request exclusion from the Settlement or any Collective Member who fails to timely opt in to this Action. This means that for purposes of the Notices of Settlement, the Settlement Administrator has assumed that all potential Rule 23 Settlement Class Members and Collective Members will participate in this settlement, even though that may not remain the case

following Final Approval. It is thus likely that your total estimated settlement payment will be higher than indicated in this Notice.

For tax reporting purposes, Settlement Awards to participating Collective Members will be allocated as follows: twenty percent (20%) of each Settlement Award shall be allocated as wages, sixty (60%) of each Settlement Award shall be allocated as penalties and interest, and twenty percent (20%) of each Settlement Award shall be allocated as expense reimbursements. None of the Parties or attorneys makes any representations concerning the tax consequences of this Settlement or your participation in it. Participating Collective Members should consult with their own tax advisors concerning the tax consequences of the Settlement.

If you participate in the Settlement, you will have 180 days to cash the check that will be sent to you as provided above. If at the conclusion of the 180-day check void period, there are any uncashed checks, those monies will be paid to the Parties' agreed upon *cy pres* recipient, Legal Aid at Work, subject to the Court's approval in the Final Approval Order, if the total residual amount is less than \$50,000. If the total residual amount is \$50,000 or greater, a second distribution will occur to those Participating Individuals who cashed their check on a *pro rata* basis.

**It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your monetary Settlement Award. If you fail to keep your address current, you may not receive your Settlement Award.**

## **5. What Are The Releases for Collective Members Who Opt In?**

Upon Final Approval of the Settlement Agreement and payment of amounts set forth under the Settlement, all Collective Members who opt in by cashing their settlement checks will release claims as follows against Defendants, their present and former parent companies, subsidiaries, related or affiliated companies, and their shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity that could be liable for any of the Released Claims (collectively, the "Releasees"):

- **Released FLSA Claims:** Members of the FLSA Settlement Collective who have previously consented to join the FLSA claim or who opt in and consent to the Settlement by cashing their settlement checks shall release the Released FLSA Claims, which include any and all claims, penalties, costs, expenses, attorneys' fees, liabilities, damages, actions or causes of action of whatever kind or nature under the Fair Labor Standards Act, 29 U.S.C. §§ 201, *et seq.*, through [date of Preliminary Approval], known and unknown, which were or could have been made based on the facts pled in the Second Amended Complaint in the Federal Action.
- The Released FLSA Claims encompass known and unknown claims which were or could have been made based on the facts pled in the Second Amended Complaint in the Federal Action. Accordingly, the participating members of the FLSA Settlement Collective acknowledge, waive, and relinquish all rights they have or may have based on the facts pled in the Second Amended Complaint in the Federal Action with respect to, respectively, the Released FLSA Claims and Released Class Claims, under Section 1542 of the California Civil Code, which states as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

#### **6. What Are My Rights and What Are My Options?**

Please see Section 4 above for an estimate of how much you will receive under the settlement as a Collective Member. To receive payment under the settlement as a Collective Member, you MUST cash the settlement check that will be sent to you in several months. Therefore, you have two options:

- **Opt-In:** Cash the settlement check that will be sent to you to participate in the Settlement and receive a payment as a Collective Member.
- **Do Nothing:** Do not cash the settlement check that will be sent to you. If you do not cash the settlement check, you will not receive any payment under the Settlement as a Collective Member, and your claims against Defendants under the FLSA will not be released.

#### **7. Can Defendants Retaliate Against Me for Participating in this Lawsuit?**

No. Your decision as to whether or not to participate in this Lawsuit will in no way affect your work or employment with Defendants or future work or employment with Defendants. It is unlawful for Defendants to take any adverse action against you as a result of your participation in this Lawsuit. In fact, Defendants encourage you to participate in this Settlement.

#### **8. Who Are the Attorneys Representing Plaintiff and the Settlement Class?**

Plaintiff and the Settlement Class are represented by the following attorneys acting as Class Counsel:

Carolyn H. Cottrell  
Ori Edelstein  
Michelle S. Lim  
**SCHNEIDER WALLACE**  
**COTTRELL KONECKY LLP**  
2000 Powell Street, Suite 1400  
Emeryville, CA 94608  
Telephone: (800) 689-0024  
Facsimile: (415) 421-7105

#### **9. How Will the Attorneys for the Settlement Class Be Paid?**

Class Counsel will be paid from the Gross Settlement Amount of \$4,250,000. You do not have to pay the attorneys who represent the Settlement Class. The Settlement Agreement provides that Class Counsel will receive attorneys' fees of up to one-third (1/3) of \$4,250,000.00 (i.e., \$1,416,666.52) plus their out-of-pocket costs, not to exceed \$50,000.00. Class Counsel will file a Motion for Attorneys' Fees and Costs with the Court. The amount of attorneys' fees and costs awarded will be determined by the Court at the Final Approval Hearing.

**10. Where can I get more information?**

If you have questions about this Notice, or the Settlement, or if you did not receive this Notice in the mail and you believe that you are or may be a member of the Settlement, you should contact the Class Counsel.

This Notice is only a summary. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available at the Settlement website at [INSERT URL], by contacting Class Counsel toll-free at (800) 689-0024, or by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>.

**PLEASE DO NOT CONTACT THE COURT, THE CLERK OF THE COURT, THE JUDGE, OR DEFENDANTS FOR INFORMATION ABOUT THE PROPOSED SETTLEMENT OR THIS LAWSUIT.**

# EXHIBIT 2

1 Carolyn H. Cottrell (SBN 166977)  
2 Ori Edelstein (SBN 268145)  
3 Michelle S. Lim (SBN 315691)  
4 SCHNEIDER WALLACE  
5 COTTRELL KONECKY LLP  
6 2000 Powell Street, Suite 1400  
7 Emeryville, California 94608  
8 Telephone: (415) 421-7100  
9 Facsimile: (415) 421-7105  
10 ccottrell@schneiderwallace.com  
11 oedelstein@schneiderwallace.com  
12 mlim@schneiderwallace.com

13 Attorneys for Plaintiffs, and the Putative Class  
14 and Collective

15 **UNITED STATES DISTRICT COURT**  
16 **NORTHERN DISTRICT OF CALIFORNIA**

17 DAVID CHAVEZ and VINCENT  
18 SLAUGHTER, on behalf of themselves and all  
19 others similarly situated,

20 Plaintiffs,

21 vs.

22 STELLAR MANAGEMENT GROUP VII,  
23 LLC; STELLAR MANAGEMENT GROUP,  
24 INC. d/b/a QSI QUALITY SERVICE  
25 INTEGRITY; THE VINCIT COMPANY, LLC  
26 d/b/a THE VINCIT GROUP and VINCIT  
27 ENTERPRISES,

28 Defendants.

Case No.: 3:19-cv-01353-JCS

**[PROPOSED] ORDER GRANTING  
PLAINTIFF'S MOTION FOR  
PRELIMINARY APPROVAL OF  
SETTLEMENT**

Date: April 16, 2021

Time: 9:30 a.m.

Judge: Hon. Joseph C. Spero

Ctrm.: G, 15<sup>th</sup> Floor

Filed: March 13, 2019

Trial Date: None

1 The Motion for Preliminary Approval of Settlement filed by David Chavez and Vincent  
2 Slaughter, Plaintiffs in this action (the “Action”), came on for hearing regularly in Courtroom G,  
3 15<sup>th</sup> Floor, of the above captioned court, the Honorable Joseph C. Spero presiding. Defendants in  
4 the Action do not oppose the motion.

5 In the operative complaint in the Action, Plaintiffs alleges that Defendants violated federal  
6 and California wage and hour laws with respect to current and former non-exempt employees,  
7 including Sanitation Workers, who have worked for Defendants. Throughout the relevant time  
8 period, Plaintiffs allege that Defendants committed violations as to Plaintiffs and Class and  
9 Collective Members by: (1) not paying Class and Collective Members proper minimum and  
10 overtime wages for work performed off-the-clock on a daily basis; (2) failing to provide Class and  
11 Collective Members with a reasonable opportunity to take meal and rest periods, and failing to  
12 compensate Class and Collective Members when such meal and rest periods are not taken; (3)  
13 failing to reimburse necessarily-incurred expenses; and (4) failing to issue accurate, itemized wage  
14 statements.

15 After discovery, deposition, and extensive investigation by Plaintiffs’ counsel, the Parties  
16 entered into private mediation with respected neutral mediator Mark Rudy in an attempt to resolve  
17 the claims. As a result of the mediation session on September 24, 2020 and further arm’s-length  
18 negotiations facilitated by Mr. Rudy, the Parties reached a global settlement that resolves all of the  
19 claims in all of the Actions. The Parties then executed a Class Action Settlement Agreement and  
20 Release (“Settlement”) on March 12, 2021.

21 A hearing was held before this Court on April 16, 2021 for the purpose of determining,  
22 among other things, whether the proposed Settlement is within the range of possible approval, if  
23 Notices of the Settlement to Members of the California Class and FLSA Collective Members are  
24 appropriate, and whether a formal fairness hearing, also known as a final approval hearing, should  
25 be scheduled. Appearing at the hearing was Schneider Wallace Cottrell Konecky LLP on behalf of  
26 Plaintiffs, the Collective, and Putative Class and Goodwin Procter LLP on behalf of Defendants  
27 Stellar Management Group VII, LLC (“SMGVII”; Stellar Management Group, Inc. d/b/a QSI  
28

1 Quality Service Integrity (“SMGINC”); and The Vincit Company, LLC d/b/a The Vincit Group  
2 and Vincit Enterprises (“Vincit”) (collectively, “Defendants” or “QSI”).

3 Having reviewed the papers and documents presented, having heard the statements of  
4 counsel, and having considered the matter, the Court HEREBY ORDERS as follows:

5 1. The Court hereby GRANTS preliminary approval of the terms and conditions  
6 contained in the Settlement, attached to the Declaration of Carolyn H. Cottrell in support of  
7 Plaintiffs’ Motion for Preliminary Approval of Settlement as **Exhibit 1** [Dkt. No. 134-2]; in the  
8 Amendment to Class Action Settlement Agreement and Release, attached to Plaintiffs’  
9 Supplemental Briefing Regarding Zoom Civil Minute Order as **Exhibit 1** [Dkt. No. 138-1]; and in  
10 the Second Amendment to Class Action Settlement Agreement and Release [Dkt. No. \_\_\_\_], as  
11 to the Class (together, the “Settlement”). The Court preliminarily finds that the terms of the  
12 Settlement appear to be within the range of possible approval, pursuant to Federal Rule of Civil  
13 Procedure 23 and applicable law.

14 2. The Court finds on a preliminary basis that: (1) the settlement amount is fair and  
15 reasonable to the California Class Members when balanced against the probable outcome of further  
16 litigation relating to class certification, liability and damages issues, and potential appeals; (2)  
17 significant discovery, investigation, research, and litigation have been conducted such that counsel  
18 for the Parties at this time are able to reasonably evaluate their respective positions; (3) settlement  
19 at this time will avoid substantial costs, delay, and risks that would be presented by the further  
20 prosecution of the litigation; and (4) the proposed Settlement has been reached as the result of  
21 intensive, serious, and non-collusive negotiations between the Parties. Accordingly, the Court  
22 preliminarily finds that the Settlement was entered into in good faith.

23 3. The Court hereby GRANTS conditional certification of the provisional California  
24 Class, in accordance with the Settlement, for the purposes of this Settlement only. The California  
25 Class is defined as Plaintiffs and all individuals employed by Defendants in non-exempt positions  
26 in the State of California at any time between March 13, 2015 and the date the Court grants  
27 preliminary approval of the Settlement.

1           4.       The Court hereby GRANTS Approval of the terms and conditions contained in the  
2 Settlement as to the Collective of Opt In Plaintiffs. The Court finds that the terms of the Settlement  
3 are within the range of possible approval, pursuant to the Fair Labor Standards Act and applicable  
4 law.

5           5.       The Court finds that: (1) the settlement amount is fair and reasonable to the Collective  
6 Members when balanced against the probable outcome of further litigation relating to class  
7 certification, liability and damages issues, and potential appeals; (2) significant discovery,  
8 investigation, research, and litigation have been conducted such that counsel for the Parties at this  
9 time are able to reasonably evaluate their respective positions; (3) settlement at this time will avoid  
10 substantial costs, delay, and risks that would be presented by the further prosecution of the  
11 litigation; and (4) the proposed Settlement has been reached as the result of intensive, serious, and  
12 non-collusive negotiations between the Parties. Accordingly, the Court finds that the Settlement  
13 was entered into in good faith.

14           6.       The Court hereby conditionally certifies the Collective. The Collective is defined as  
15 Plaintiff Slaughter, all individuals who prior to the date of the Court's Preliminary Approval Order  
16 have filed a consent form to join this Action, and all additional Collective Members who opt in to  
17 the litigation and consent to the terms of the Settlement by negotiating the check in the gross amount  
18 of his or her Settlement Award.

19           7.       The Court hereby authorizes the retention of Heffler Claims Group as Settlement  
20 Administrator for the purpose of the Settlement, with reasonable administration costs estimated not  
21 to exceed \$85,000.

22           8.       The Court hereby conditionally appoints Schneider Wallace Cottrell Konecky LLP  
23 as Counsel for the Class. The Court hereby conditionally appoints Plaintiffs Chavez and Slaughter  
24 as Class Representatives for the California Class.

25           9.       The Court hereby appoints Schneider Wallace Cottrell Konecky LLP as Counsel for  
26 the Collective. The Court hereby appoints Plaintiff Slaughter as Collective representative for the  
27 Collective.

1           10.     The Court hereby APPROVES the Notices of Settlement attached to the Second  
2 Amendment to Class Action Settlement Agreement and Release as **Exhibit E** and **Exhibit F**. The  
3 Court finds that the Notice of Settlement, along with the related notification procedure  
4 contemplated by the Settlement, constitute the best notice practicable under the circumstances and  
5 are in full compliance with the applicable laws and the requirements of due process. The Court  
6 further finds that the Notices of Settlement appear to fully and accurately inform the Members of  
7 the California Class of all material elements of the proposed Settlement, of their right to be excluded  
8 from the Settlement, and of their right and opportunity to object to the Settlement. The Court also  
9 finds that the Notice of Settlement appears to fully and accurately inform the Members of the  
10 Collective of all material elements of the proposed Settlement.

11           11.     The Court hereby authorizes dissemination of the Notice of Settlement to Members  
12 of the California Class and the Collective. Subject to the terms of the Settlement, the Notice of  
13 Settlement shall be mailed via first-class mail to the most recent known address of each Member of  
14 the Class and the Collective within the timeframe specified in the Settlement, and sent via email to  
15 all such persons for whom Defendants have an email address. The Parties may not make changes  
16 to the proposed Notice of Settlement aside from those that are left blank for the Settlement  
17 Administrator to fill in unless approved by this Court.

18           12.     The Court hereby APPROVES the proposed procedure for Members of the California  
19 Class to request exclusion from the Rule 23 component Settlement, which is to submit a written  
20 statement requesting exclusion to the Settlement Administrator during the time period permitted  
21 under the Settlement. Any Class Member who submits a written exclusion shall not be a Member  
22 of the Class, shall be barred from participating in the Rule 23 component of the Settlement, and  
23 shall receive no benefit from the Rule 23 component of the Settlement.

24           13.     The Court further acknowledges that Plaintiff's counsel will submit a request for  
25 attorneys' fees of up to one-third of the Gross Settlement Amount, or \$1,416,666.52, plus their  
26 costs, not to exceed \$50,000. The Court ORDERS that Plaintiffs' counsel file a motion for approval  
27 of attorneys' fees and costs and service awards, at least 35 days before the opt-out deadline.

1           14.     The Court ORDERS that Plaintiff’s counsel shall file a motion for final approval of  
 2 the Settlement, with the appropriate declarations and supporting evidence, including a declaration  
 3 setting forth the identity of any California Class Members who request exclusion from the  
 4 Settlement, at least 35 days before the Final Approval Hearing.

5           15.     The Court ORDERS that Plaintiff’s counsel shall file a motion for approval of the  
 6 fee and cost award and of the service award to the Class Representative, with the appropriate  
 7 declarations and supporting evidence, to be heard at the same time as the motion for final approval  
 8 of the Settlement.

9           16.     The Court further ORDERS that each Member of the California Class shall be given  
 10 a full opportunity to object to the Rule 23 component of the proposed Settlement and request for  
 11 attorneys’ fees, and to participate at a Final Approval Hearing, which the Court sets to commence  
 12 on \_\_\_\_\_ at 9:30 a.m. remotely via the online platform Zoom, [https://cand-  
 13 uscourts.zoomgov.com/j/1619260804?pwd=RE5qWDhGOTdWWTZUOFIOKzhNc3pjZz09](https://cand-uscourts.zoomgov.com/j/1619260804?pwd=RE5qWDhGOTdWWTZUOFIOKzhNc3pjZz09),  
 14 Webinar ID: 161 926 0804, Password: 050855, Dial in: US: +1 (669) 254-5252 or +1 (646) 828-  
 15 7666, International numbers: <https://cand-uscourts.zoomgov.com/u/advFLxrTkx>. Any Class  
 16 Member seeking to object to the proposed Settlement may do so by filing such objection in writing  
 17 with the Court and serving such objection on Plaintiffs’ counsel and Defendants’ counsel, and do  
 18 not waive their right to object at the Final Approval Hearing by failing to submit a written objection.

19           17.     Accordingly, GOOD CAUSE APPEARING, the Court hereby APPROVES the  
 20 proposed Notices of Settlement and adopts the following dates and deadlines:

21	Deadline for Defendants to pay the Gross Settlement Amount in the QSF	Within 10 business days after Preliminary Approval Order
22	Deadline for Defendants to provide Heffler with the Class List	Within 15 business days after the Court’s preliminary approval of the Settlement
23	Deadline for Heffler to mail the Notice of Settlement to Class Members	Within 10 business days after Heffler receives the Class List
24	Deadline for Rule 23 Class Members to postmark requests to opt-out or file objections to the Settlement (“Notice Deadline”)	65 days after Notice of Settlement are mailed
25	Deadline for Heffler to provide all counsel with a report showing (i) the names of Rule 23 Class Members and Opt In Plaintiffs; (ii) the	Within 30 calendar days after the opt out/objection deadline (the “Notice Deadline”)
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1	Individual Settlement Payments owed to each Rule 23 Class Member and Opt In Plaintiff;	
2	(iii) the final number of Rule 23 Class Members who have submitted objections or valid letters	
3	requesting exclusion from the Settlement; and	
4	(iv) the number of undeliverable Notices of Settlement.	
5	Deadline for Plaintiffs' counsel to file a motion for approval of attorneys' fees and costs and service awards	At least 35 days before the Notice deadline
6	Deadline for filing of Final Approval Motion	At least 35 days before Final Approval Hearing
7	Deadline for Heffler to provide the Court and all Parties' counsel with a statement detailing the Settlement Administration Costs and the notice administration process	As soon as practicable
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9		
10	Final Approval Hearing	At least 30 days after Notice Deadline
11	Effective Date	The latest of the following dates: (i) if there are one or more objections to the settlement that are not subsequently withdrawn, then the date after the expiration of time for filing a notice of appeal of the Court's Final Approval Order, assuming no appeal or request for review has been filed; (ii) if there is a timely objection and appeal by one or more objectors, then the date after such appeal or appeals are terminated (including any requests for rehearing) resulting in the final judicial approval of the Settlement; or (iii) if there are no timely objections to the settlement, or if one or more objections were filed but subsequently withdrawn before the date of Final Approval, then the first business day after the Court's order granting Final Approval of the Settlement is entered
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20	Deadline for Heffler to calculate the employer share of taxes and provide Defendants with the total amount of Defendants' Payroll Taxes	Within 5 business days after final Settlement Award calculations are approved
21		
22	Deadline for Heffler to make payments under the Settlement to Participating Individuals, the LWDA, Class Representatives, Plaintiffs' counsel, and itself	Within 30 days after the Effective Date or as soon as reasonably practicable
23		
24	Check-cashing deadline	180 days after issuance
25	Deadline for Heffler to tender uncashed check funds to cy pres recipient Legal Aid at Work or redistribute such uncashed funds to Participating Individuals who cashed their Settlement Award checks	As soon as practicable after check-cashing deadline
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27		
28		

1 Deadline for Heffler to provide written  
2 certification of completion of administration of  
the Settlement to counsel for all Parties and the  
Court

Within 21 business days after the  
distribution of any uncashed funds

3 18. The Court further ORDERS that, pending further order of this Court, all proceedings  
4 in the Actions, except those contemplated herein and in the Settlement, are stayed, and all deadlines  
5 are vacated.

6 19. If for any reason the Court does not execute and file a Final Approval Order and  
7 Judgment, the proposed Settlement subject to this Order and all evidence and proceedings had in  
8 connection with the Settlement shall be null and void.

9 20. The Court may, for good cause, extend any of the deadlines set forth in this Order or  
10 adjourn or continue the final approval hearing without further notice to the Class.

11  
12 **IT IS SO ORDERED.**

13  
14 Dated: \_\_\_\_\_

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15 JOSEPH C. SPERO  
16 UNITED STATES DISTRICT COURT JUDGE  
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