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12 AMERICA, INC.

13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
14 **FOR THE COUNTY OF LOS ANGELES**
15

16 ANDRES FLORES, an individual; SAL
17 MAGANA, an individual;
18 Plaintiffs,

19 v.

20
21 RENTOKIL NORTH AMERICA, INC.; and
22 DOES 1 through 100, inclusive,
23 Defendants.

) CASE NO: BC 713774

) *Assigned to: Hon. Daniel J. Buckley*

) CLASS ACTION

) **STIPULATION OF CLASS ACTION
SETTLEMENT**

) *Action filed: July 23, 2018*

24
25 This Stipulation of Settlement is made by and between the Plaintiffs, ANDRES FLORES and
26 SAL MAGANA, on their own behalf and on behalf of all members of the Settlement Class, as defined
27 below, on the one hand, and RENTOKIL NORTH AMERICA, INC., on the other hand (collectively
28 the "Parties"), in the lawsuit entitled *Flores, et al. v. Rentokil North America,, Inc.*, filed in Los

1 Angeles County Superior Court, Case No. BC 713774. This Stipulation of Settlement resolves all
2 claims that were asserted or could have been asserted against Defendant pertaining to the claims in the
3 litigation.

4 **I. DEFINITIONS**

5 **A. Administrative Costs.** All administrative costs of settlement, including cost of notice
6 to the Settlement Class, claims administration, and any fees and costs incurred or charged by the
7 Settlement Administrator in connection with the execution of its duties under this Stipulation of
8 Settlement.

9 **B. Agreement.** The terms "Agreement" or "Settlement Agreement" are used
10 synonymously herein to mean this Stipulation of Settlement.

11 **C. Class Counsel.** The term "Class Counsel" as used herein means: PALAY
12 HEFELFINGER, APC and all the lawyers of the firm, specifically Daniel J. Palay and Brian D.
13 Hefelfinger who are counsel for and acting on behalf of Plaintiffs and the Settlement Class. The term
14 Class Counsel shall be used synonymously with the term Plaintiffs' Counsel.

15 **D. Court.** The term "Court" as used herein means the Superior Court of the State of
16 California for the County of Los Angeles.

17 **E. Final.** The term "Final" means: (1) the date of final affirmation of the Final Approval
18 from any appeal, the expiration of the time for, or the denial of, a petition to review the Final
19 Approval, or if review is granted, the date of final affirmation of the Final Approval following review
20 pursuant to that grant; or (2) the date of final dismissal of any appeal from the Final Approval or the
21 final dismissal of any proceeding to review the Final Approval, provided that the Final Approval is
22 affirmed and/or not reversed in any part; or (3) if no appeal is filed, the expiration date of the time for
23 the filing or noticing of any appeal from the Court's Final Approval of the Settlement, as determined
24 under Rule 8.104(a)(3) of the California Rules of Court.

25 **F. Date of Final Approval.** The terms "Date of Final Approval" or "Final Approval" as
26 used herein mean the final formal judgment entered by the Court at the Final Fairness and Approval
27 Hearing in accordance with the terms herein, approving this Agreement.

28 **G. Defendant.** The term "Defendant" as used herein means RENTOKIL NORTH

1 AMERICA, INC.

2 **H. Employer Taxes.** Employer-funded taxes and contributions imposed on the wage
3 portions of the Settlement Payment under the Federal Insurance Contributions Act, the Federal
4 Unemployment Tax Act, and any similar state taxes and contributions required of employers, such as
5 for unemployment insurance.

6 **I. Litigation.** The term “Litigation” as used herein means the action entitled *Andres*
7 *Flores et al. v. Rentokil North America, Inc.*, filed in Los Angeles County Superior Court, Case No.
8 BC 713774.

9 **J. Named Plaintiffs.** The term “Named Plaintiffs” as used herein means ANDRES
10 FLORES and SAL MAGANA.

11 **K. Net Settlement Fund.** The term “Net Settlement Amount” or “Net Settlement Fund”
12 as used herein means the Settlement Amount minus any award of attorneys’ fees and Litigation costs,
13 Administrative Costs, enhancement to the Named Plaintiffs, and penalties recoverable pursuant to
14 California’s Private Attorney General Act (“PAGA”) (the “PAGA Settlement”), and as provided in
15 Sections XIII, VIII, XIV, XV, and XVI, respectively.

16 **L. Net Settlement Payments.** The term “Net Settlement Payment(s)” shall include
17 payments made to the Settlement Class as part of the Settlement, including wages, penalties and
18 interest.

19 **M. Settlement.** The term “Settlement” as used herein means this Agreement to resolve the
20 Litigation.

21 **N. Settlement Administrator.** The term “Settlement Administrator” as used herein
22 means CPT Group, Inc., which will be responsible for the administration of the Settlement Amount, as
23 defined below, and all related matters.

24 **O. Settlement Agreement.** The terms “Settlement Agreement” or “Agreement” are used
25 synonymously herein to mean this Stipulation of Settlement.

26 **P. Settlement Amount.** The terms “Settlement Amount” as used herein means the sum of
27 Two Million Two Hundred Thousand Dollars and Zero Cents (\$2,200,000.00), which shall be paid by
28 Defendant, and from which all Net Settlement Payments, Court-approved attorneys’ fees and

1 Litigation costs pursuant to Section XIII, Administrative Costs pursuant to Section VIII, enhancement
2 to the Named Plaintiffs pursuant to Section XIV, statutory penalties, interest, and PAGA Settlement
3 pursuant to Section XVI shall be paid, except as provided herein.

4 **Q. Settlement Class.** For settlement purposes only, the Parties agree to the certification of
5 a class pursuant to California *Code of Civil Procedure* § 382, comprised of ⁸⁰~~82~~ individuals, and defined
6 as:

7 All individuals currently or previously employed by Defendant as a Pest Technician
8 (or similar role) that have worked under a Steritech compensation plan within
9 California from July 23, 2014 to the present (together, collectively referred to as the
10 "Class Members").

11 **R. Settlement Period.** The term "Settlement Period" as used herein means the period
12 from July 23, 2014 through the date on which preliminary approval of the Settlement is granted.

13 **II. BACKGROUND**

14 **A.** In the Litigation, the Named Plaintiffs allege, *inter alia*, on behalf of themselves and all
15 others similarly-situated, that Defendant violated California state wage and hour laws, the California
16 *Business and Professions Code* Section 17200 *et seq.*, and PAGA, as a result of Defendant's
17 California wage and hour policies and practices. Specifically, Plaintiffs allege that Defendant failed to
18 provide regular, overtime, and double-time pay, failed to pay all wages earned, failed to provide meal
19 breaks (including first and second meal breaks), and failed to authorize and permit legally compliant
20 rest breaks each day based on the hours worked by each employee. Plaintiffs further allege that the
21 aforementioned resulted in the employees receiving inaccurate wage statements, and the
22 underpayment of wages to employees upon termination and/or resignation.

23 Class Counsel conducted informal discovery including an extensive joint audit of the records
24 that yielded information and documentation concerning the claims set forth in the Litigation, such as
25 Defendant's policies and procedures regarding the payment of wages, the provision of meal and rest
26 breaks, time keeping policies, including recording hours, the issuance of wage statements, as well as
27 information regarding the number of putative class members and the mix of current versus former
28 employees, the wage rates in effect, and the number of full time equivalent employees. Detailed
payroll, commission and bonus earnings data was also supplied and reviewed by Class Counsel, for

1 the putative class.

2 **B.** The Named Plaintiffs and Class Counsel have engaged in good faith, arms-length
3 negotiations with Defendant concerning possible resolution of the claims asserted in the Litigation.
4 The Parties participated in a mediation before Steve McAvoy, Esq. with ADR Services, and that
5 process resulted in a tentative settlement of the Litigation, subject to the approval of the Court, and
6 finalization of a formal Stipulation of Settlement. The Parties engaged in extension negotiations, over
7 more than 5 months, about the precise terms and conditions of the Settlement. The Parties have now
8 entered into this Stipulation of Settlement for submission to the Court for preliminary and Final
9 Approval.

10 **C.** Class Counsel has conducted an investigation of the law and facts relating to the claims
11 asserted in the Litigation and has concluded, taking into account the sharply contested issues involved,
12 the defenses asserted by Defendant, the expense and time necessary to pursue the Litigation through
13 trial and any appeals, the risks and costs of further prosecution of the Litigation, the risk of an adverse
14 outcome, the uncertainties of complex litigation, and the substantial benefits to be received by the
15 Named Plaintiffs and the members of the Settlement Class pursuant to this Agreement, that a
16 settlement with Defendant on the terms and conditions set forth herein is fair, reasonable, adequate,
17 and in the best interests of the Settlement Class. The Named Plaintiffs, on behalf of the Settlement
18 Class, have agreed to settle the Litigation with Defendant on the terms set forth herein.

19 **D.** Defendant and its counsel have concluded that, because of the substantial expense of
20 defending against the Litigation, the length of time necessary to resolve the issues presented herein,
21 the inconvenience involved, and the concomitant disruption to its business operations, it is in
22 Defendant's best interests to settle the matter. Defendant denies each of the allegations and claims
23 asserted against it in the Litigation. However, Defendant nevertheless desires to settle the Litigation
24 for the purpose of avoiding the burden, expense and uncertainty of continuing litigation and for the
25 purpose of putting to rest the controversies engendered by the Litigation.

26 **E.** This Agreement is intended to and does effectuate the full, final and complete
27 resolution of all allegations and claims that were asserted, or could have been asserted, in the
28 Litigation by Named Plaintiffs and members of the Settlement Class as set forth in Section II.A.

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2 **III. JURISDICTION**

3 The Court has jurisdiction over the Parties and the subject matter of this Litigation. The
4 Litigation includes claims that, while Defendant denies them in their entirety, would, if proven,
5 authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted Final
6 Approval of the Settlement and after the Court has ordered the entry of Judgment, pursuant to
7 California *Code of Civil Procedure* Section 664.6 the Court shall retain jurisdiction of this action
8 solely for the purpose of interpreting, implementing, and enforcing this Settlement consistent with the
9 terms set forth herein.

10 **IV. STIPULATION OF CLASS CERTIFICATION**

11 The Parties stipulate to the certification of this Settlement Class for purposes of Settlement
12 only. This Stipulation is contingent upon the Preliminary and Final approval and certification of the
13 Settlement Class only for purposes of Settlement. Should the Settlement not become final, for
14 whatever reason, the fact that the Parties were willing to stipulate provisionally to class certification as
15 part of the Settlement shall have no bearing on, and shall not be admissible in connection with, the
16 issue of whether a class should be certified in a non-settlement context in the Litigation. Defendant
17 expressly reserves the right to oppose class certification and/or proactively move to deny certification
18 should this Settlement be modified or reversed on appeal or otherwise not become final.

19 **V. MOTION FOR PRELIMINARY APPROVAL**

20 Plaintiffs will bring unopposed before the Court a motion for an order preliminarily approving
21 the Settlement, including the Notice of Proposed Class Action Settlement and Workweek Dispute
22 Form, which are attached hereto as **Exhibits "A" and "B,"** and ordering conditional certification of the
23 Settlement Class for settlement purposes only. The date that the Court grants Preliminary Approval of
24 this Agreement will be the "Preliminary Approval Date." Class Counsel will prepare the Motion for
25 Preliminary Approval.

26 **VI. STATEMENT OF NO ADMISSION**

27 **A.** Defendant denies liability to Named Plaintiffs and to the Settlement Class upon any
28 claim or cause of action. This Agreement does not constitute, and is not intended to constitute, an

1 admission by Defendant as to the merits, validity, or accuracy of any of the allegations or claims made
2 against it in the Litigation.

3 **B.** Nothing in this Agreement, nor any action taken in implementation thereof, nor any
4 statements, discussions or communications, nor any materials prepared, exchanged, issued or used
5 during the course of the negotiations leading to this Agreement or the Settlement, is intended by the
6 Parties to constitute, nor will any of the foregoing constitute, be introduced, be used or be admissible
7 in any way in this case or any other judicial, arbitral, administrative, investigative or other forum or
8 proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance,
9 regulation, rule or executive order, or any obligation or duty at law or in equity. The Parties
10 themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in this case or
11 any other judicial, arbitral, administrative, investigative, or other forum or proceeding, as purported
12 evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or
13 executive order, or any obligation or duty at law or in equity, or for any other purpose.
14 Notwithstanding the foregoing, this Agreement may be used and filed in any proceeding before the
15 Court that has as its purpose the interpretation, implementation, or enforcement of this Agreement or
16 any orders or judgments of the Court entered in connection with implementation of the Settlement.

17 **C.** None of the documents produced or created by Named Plaintiffs or the Settlement
18 Class in connection with the claims procedures or claims resolution procedures constitute, and they are
19 not intended to constitute, an admission by Defendant of any violation of any federal, state, or local
20 law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or in
21 equity.

22 **D.** The Parties agree that class certification pursuant to *California Code of Civil Procedure*
23 Section 382 under the terms of this Agreement is for settlement purposes only. Nothing in this
24 Agreement will be construed as an admission or acknowledgement of any kind that any class should
25 be certified or given collective treatment in the Litigation or in any other action or proceeding.
26 Further, neither this Agreement nor the Court's actions with regard to this Agreement will be
27 admissible in any court or other tribunal regarding the propriety of class certification or collective
28 treatment. In the event that this Agreement is not approved by the Court or any appellate court, is

1 terminated, or otherwise fails to be enforceable, Named Plaintiffs will not be deemed to have waived,
2 limited, or affected in any way any claims, rights, or remedies in the Litigation, and Defendant will not
3 be deemed to have waived, limited, or affected in any way any of their objections or defenses in the
4 Litigation, including their right to make use of the affirmative defense provided in Labor Code Section
5 226.2, subject to the tolling provision set forth in Section XVIII.

6 **VII. WAIVER, RELEASE AND CONFIDENTIALITY**

7 **A. Release as to All Settlement Class Members.**

8 Upon the Date of Final Approval, Named Plaintiffs and all members of the Settlement Class,
9 except those that make a valid and timely request to be excluded from the Settlement Class and
10 Settlement, waive, release, discharge, and promise never to assert in any forum any and all wage-
11 related claims against Defendant, its respective subsidiaries, affiliates, predecessors or successors in
12 interest, or the officers, directors, shareholders, employees, attorneys, agents, assigns, insurers, re-
13 insurers, of any of them, that were alleged in the Litigation or which could have been alleged in the
14 Litigation based on the facts or claims asserted in the Litigation, including but not limited to: (1)
15 Failure to Pay Wages Owed (including any regular, overtime, double-time, minimum, on-call or
16 travel time wages potentially owed); (2) Violation of Business & Professions Code § 17200; (3)
17 Violation of Labor Code § 226; (4) Failure to Provide Legally-Compliant Meal Periods; (5) Failure to
18 Provide Legally-Compliant Rest Periods; and (6) Violation of Labor Code Private Attorneys' General
19 Act ("PAGA"); and/or any penalties, wages or any another amounts that could be potentially owed to
20 Class Members arising out of the allegations in the Lawsuit for the Settlement Period.

21 **B. Limited 1542 Release for Class Members.**

22 With respect to all claims which arise from, or are related to, the same facts alleged in the
23 operative Second Amended Complaint in the Litigation, all participating Class Members shall be
24 deemed to have expressly waived and relinquished, to the fullest extent permitted by law, the
25 provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar
26 provision under federal or state law, which provides:

27 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS**
28 **THAT THE CREDITOR OR RELEASING PARTY DOES NOT**
KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT

1 **THE TIME OF EXECUTING THE RELEASE AND THAT, IF**
2 **KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY**
3 **AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR**
4 **OR RELEASED PARTY.**

5 Accordingly, if the facts relating in any manner to this Settlement are found hereafter to be other than
6 or different from the facts now believed to be true, the release of claims contained herein shall be
7 effective as to all unknown claims, provided such unknown claims arise from the same facts alleged in
8 the Complaint.

9 **C. General Release by Named Plaintiffs Only.**

10 In addition to the release made in Section VII(A), the Named Plaintiffs make the additional
11 following general release of all claims, known or unknown. Named Plaintiffs release Defendant, and
12 each of its respective parents, subsidiaries, affiliates, predecessors or successors in interest, officers,
13 directors, shareholders, employees, attorneys, agents, assigns, insurers, and re-insurers of any of them,
14 from all claims, demands, rights, liabilities and causes of action of every nature and description
15 whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or
16 for violation of any state or federal statute, rule or regulation arising out of, relating to, or in
17 connection with any act or omission by or on the part of any Defendant. (The release set forth in this
18 Paragraph D shall be referred to hereinafter as the "General Release.")

19 With respect to the General Release, the Named Plaintiffs stipulate and agree that, upon the
20 Date of Final Approval, the Named Plaintiffs shall be deemed to have expressly waived and
21 relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542
22 of the California Civil Code, or any other similar provision under federal or state law, which provides:

23 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS**
24 **THAT THE CREDITOR OR RELEASING PARTY DOES NOT**
25 **KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT**
26 **THE TIME OF EXECUTING THE RELEASE AND THAT, IF**
27 **KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY**
28 **AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR**
 OR RELEASED PARTY.

Accordingly, if the facts relating in any manner to this Settlement are found hereafter to be other than
or different from the facts now believed to be true, the release of claims contained herein shall be
effective as to all unknown claims.

D. Publicity.

1 Named Plaintiffs agree that, in response to any inquiries, Named Plaintiffs will state that “the
2 case was resolved to the mutual satisfaction of the parties” or words to a similar effect. Despite this
3 provision, it is agreed by the Parties that Plaintiffs’ Counsel will necessarily file this Stipulation with
4 the court and the LWDA as part of the approval process, and can discuss the Settlement with the court,
5 the Settlement Administrator, and/or the LWDA for purposes of obtaining preliminary and Final
6 Approval, and can discuss the Settlement with Plaintiffs and any members of the Settlement Class.

7 **VIII. SETTLEMENT ADMINISTRATOR**

8 Named Plaintiffs and Defendant, through their respective counsel, have selected CPT Group,
9 Inc. as the Settlement Administrator to administer the Settlement, which includes but is not limited to
10 distributing and responding to inquiries about the Notice of Proposed Class Action Settlement and
11 Workweek Dispute Form, determining the validity of any disputes and opt-outs, and calculating all
12 amounts to be paid from the Net Settlement Amount. Charges and expenses of the Settlement
13 Administrator, estimated to be \$10,000.00, will be paid from the Settlement Amount. Any charges
14 and expenses of the Settlement Administrator greater than the allocated \$10,000.00 will come from the
15 Settlement Amount. If the actual Settlement Administrator fees are less than the Parties’ estimation,
16 the difference between the actual and estimated Settlement Administrator fees will revert to the
17 participating Settlement Class members. The Parties agree that this Agreement may be provided to the
18 Settlement Administrator to effectuate its implementation of the settlement procedures herein.

19 **IX. NOTICE, OBJECTIONS AND EXCLUSION RIGHTS**

20 **A. Notice.**

21 Named Plaintiffs and Defendant, through their respective attorneys, have jointly prepared a
22 Notice of Class Action and Proposed Settlement (the “Notice”) and a Workweek Dispute Form, which
23 in substance will be provided to the members of the Settlement Class as follows:

24 As soon as practicable following Preliminary Approval of the Settlement, but no later than
25 fifteen (15) calendar days after the Court’s Preliminary Approval order, Defendant will provide to the
26 Settlement Administrator the following information about each Settlement Class member (“Class
27 List”): (1) name; (2) last known home address; (3) number of workweeks as a class member during the
28 Settlement Period; and (4) social security number. Defendant further agrees to consult with the

1 Settlement Administrator prior to the production date to ensure that the format will be acceptable to
2 the Settlement Administrator.

3 The Settlement Administrator shall run all the addresses provided through the United States
4 Postal Service NCOA database (which provides updated addresses for any individual who has moved
5 in the previous four years who has notified the U.S. Postal Service of a forwarding address) to obtain
6 current address information, and shall mail the Notice and Workweek Dispute Form to the members of
7 the Settlement Class via first-class regular U.S. Mail using the most current mailing address
8 information available, within fifteen (15) calendar days of the receipt of the Class List from
9 Defendant. The Notice shall provide the members of the Settlement Class thirty (30) days' notice of
10 all applicable dates and deadlines.

11 The Notice will also include information regarding the nature of the Litigation; a summary of
12 the terms of the Settlement; the definition of the Settlement Class; a statement that the Court has
13 preliminarily approved the Settlement; the nature and scope of the claims being released; the
14 procedure and time period for objecting to the Settlement, the date and location of the Final Approval
15 hearing; information regarding the opt-out procedure; Defendant's calculation of the number of
16 Eligible Workweeks that each Settlement Class member has worked as an employee in California at
17 any time during Settlement Period, and the average potential recovery for each proposed Settlement
18 Class Member. The Notice shall enclose the Workweek Dispute Form for Settlement Class members.

19 For each Settlement Class member the Workweek Dispute Form will identify the number of
20 Eligible Workweeks that s/he was employed and inform the employee of his or her right to dispute this
21 number by completing and returning the form within thirty (30) days of the postmark date of the
22 Workweek Dispute Form. A Settlement Class member's receipt of his or her share of the Net
23 Settlement Payments is not conditional on the submission of the Workweek Dispute Form. Absent the
24 receipt of a Workweek Dispute Form the number of workweeks identified in the Workweek Dispute
25 Form shall be deemed accurate. The resolution of any disputes concerning the number of Eligible
26 Workweeks is discussed in Section X, below.

27 If a Notice is returned from the initial notice mailing, the Settlement Administrator will submit
28 the applicable and available information, including name, Social Security number, and original

1 mailing address, to a company that specializes in address skip tracing in an attempt to locate a more
2 current address. If the Settlement Administrator is successful in locating a new address, it will re-mail
3 the Notice to the Settlement Class member. Further, any Notices returned with a forwarding address
4 to the Settlement Administrator, as non-deliverable before the deadline date, shall be sent to the
5 forwarding address affixed thereto.

6 The Settlement Administrator will mail a reminder post-card to those Settlement Class
7 members who have not responded to the Notice ten (10) days before the expiration of the claim period
8 encouraging Settlement Class members to respond before the deadline.

9 Should any member of the Settlement Class timely submit a Workweek Dispute Form with a
10 deficiency, the Settlement Administrator shall, within three (3) business days of receipt by the
11 Settlement Administrator of each timely submitted Workweek Dispute Form, send a deficiency notice.
12 The deficiency notice will provide the member of the Settlement Class no more than ten (10) days
13 from the mailing of the deficiency notice to postmark a written response to cure all deficiencies. The
14 failure of a member of Settlement Class to timely submit a Workweek Dispute or timely respond to a
15 notice of deficiency shall invalidate the dispute unless all Parties' counsel agree to allow the dispute.

16 No later than twenty (20) days before the Final Approval Hearing, the Settlement
17 Administrator shall provide counsel for Defendant and Class Counsel with a declaration attesting to
18 the completion of the Notice process, including the number of attempts to obtain valid mailing
19 addresses for and re-sending of any returned Notices, as well as the number of valid Workweek
20 Dispute Forms, opt-outs and deficiencies that the Settlement Administrator received.

21 **B. Objections.**

22 In order for any Settlement Class member to object to this Settlement, or any term of it, the
23 person making the objection must not submit a request for exclusion (*i.e.*, must not opt out). To object
24 to the Settlement, a Class Member must file with the Court and serve an objection on all parties, not
25 later than 30 calendar days after notice of the Settlement is first mailed. A Settlement Class member
26 making an objection may appear at the Final Approval Hearing with or without filing or serving any
27 written objection. The Settlement Class member may appear personally or through an attorney, at his
28 or her own expense, at the Final Approval hearing to present his or her objection directly to the Court.

1 However, any attorney who will represent an individual objecting to this Settlement must file a notice
2 of appearance with the Court and serve Class Counsel and Defense Counsel (c/o Jennifer L. Santa
3 Maria, Esq., Ogletree, Deakins, Nash, Smoak & Stewart, P.C., 4370 La Jolla Village Drive, Suite 990,
4 San Diego, CA 92122, E-mail: jennifer.santamaria@ogletree.com) no later than thirty (30) days after
5 the Notice of Proposed Class Action Settlement was initially mailed to the Settlement Class members.
6 If a Settlement Class member objects to the Settlement, the Settlement Class member will remain a
7 member of the Settlement Class and if the Court approves this Agreement, the Settlement Class
8 member will be bound by the terms of the Settlement and Final Approval in the same way and to the
9 same extent as a Settlement Class member who does not object. The date of mailing of the Notice to
10 the objecting Settlement Class member shall be conclusively determined according to the records of
11 the Settlement Administrator. The Court retains final authority with respect to the consideration and
12 admissibility of any Settlement Class member objections. Any Settlement Class member who submits
13 an objection may also participate in the settlement.

14 Named Plaintiffs waive any right to object to the Settlement, and hereby endorse the
15 Settlement as fair, reasonable and adequate and in the best interests of the Settlement Class.

16 **C. Opportunity to be Excluded.**

17 In order for any Settlement Class member to validly exclude himself or herself from the
18 Settlement Class and the Settlement (i.e., to validly opt out), a written request for exclusion (“Request
19 to be Excluded”) must be signed by the Settlement Class member or his or her authorized
20 representative and must be sent to the Settlement Administrator, postmarked by no later than thirty
21 (30) days after the date the Settlement Administrator initially mails the Notice to the Settlement Class
22 members. The Notice shall contain instructions on how to opt out.

23 The date of the initial mailing of the Notice, and the date the signed Request to be Excluded
24 was postmarked, shall be conclusively determined according to the records of the Settlement
25 Administrator. Any Settlement Class member who timely and validly submits a Request to be
26 Excluded from the Settlement Class and the Settlement will not be entitled to any portion of the Net
27 Settlement Payments, will not be bound by the terms and conditions of the Settlement, and will not
28 have any right to object, appeal, or comment thereon.

1 Any member of the Settlement Class who does not timely file and mail a Request to be
2 Excluded from the Settlement Class will be deemed included in the Settlement Class in accordance
3 with this Settlement. Named Plaintiffs waive any right to be excluded from the Settlement Class.

4 **D. Cooperation**

5 The Parties and their respective counsel agree not to encourage members of the Settlement
6 Class to refrain from participating in the Settlement, to opt out of the Settlement, or to object to the
7 Settlement, directly or indirectly, through any means. However, if a Settlement Class member
8 contacts Class Counsel, Class Counsel may discuss the terms of the Settlement and the Settlement
9 Class member's options.

10 **X. CLAIMS PROCEDURE**

11 Named Plaintiffs and Defendant have agreed upon the following payment formula to resolve
12 all disputes of the Settlement Class during the Settlement Period.

13 The Settlement Administrator will utilize the total number of workweeks for all Class Members
14 who were employed by Defendant during the Settlement Class Period, which is 13,163 workweeks
15 ("Total Workweeks"). The value of each Workweek for settlement payment purposes shall be
16 determined by the Settlement Administrator by dividing the Net Settlement Fund by the total number of
17 Workweeks available to the Class Members during the Settlement Class Period ("Workweek Point
18 Value").

19 An "Individual Settlement Payment" for each Class Member will then be determined by
20 multiplying a Class Member's workweeks ("Eligible Workweeks") by the Workweek Point Value. The
21 Individual Settlement Payment will be reduced by any required legal deductions, for each participating
22 Class Member and for the portion of payment that is subject to withholding (*i.e.*, W-2).

23 If a member of the Settlement Class does not dispute the number of Eligible Workweeks set
24 forth in the Workweek Dispute Form, such person need not take further action to participate in the
25 Settlement. If the member of the Settlement Class disputes the number of Eligible Workweeks set
26 forth in the Workweek Dispute Form, such person must follow the directions in the Workweek
27 Dispute Form and in the Notice, including preparing a statement setting forth the number of Eligible
28 Workweeks that such person believes in good faith is correct, and stating that the member of the

1 Settlement Class authorizes the Settlement Administrator to review the Settlement Class member's
2 personnel file and leave management records to determine such information, and attaching any
3 relevant documentation in support thereof. The member of the Settlement Class must mail the signed
4 and completed statement no later than thirty (30) days after the date of the mailing of the Workweek
5 Dispute Form, or the number of Eligible Workweeks set forth in the Workweek Dispute Form will
6 govern the Net Settlement Payment to the member of the Settlement Class.

7 Upon timely receipt of any such challenge, the Settlement Administrator, in consultation with
8 Class Counsel and counsel for Defendant, will review the pertinent payroll records showing the dates
9 the Settlement Class member was employed and the pertinent leave(s) taken, which records Defendant
10 agrees to make available to the Settlement Administrator and Class Counsel.

11 After consulting with Class Counsel and counsel for Defendant, the Settlement Administrator
12 shall compute the number of Eligible Workweeks to be used in computing the Settlement Class
13 member's pro rata share of the Net Settlement Amount. In the event there is a disparity between the
14 dates a Settlement Class member claims he or she worked during the Settlement Period and the dates
15 indicated by Defendant's records, Defendant's records will control unless inconsistent with paycheck
16 stub(s) (or bona fide copies thereof) provided by the Settlement Class member, in which case the
17 paycheck stub(s) will control. The Settlement Administrator's decision as to the total number of
18 Eligible Workweeks shall be final and non-appealable. The Settlement Administrator shall send
19 written notice of the decision on any such claim to the Settlement Class member, to Class Counsel,
20 and counsel for Defendant within five (5) calendar days of receipt of the dispute.

21 **XI. COMPUTATION AND DISTRIBUTION OF PAYMENTS**

22 **A. Distribution Formula.**

23 Members of the Settlement Class not opting out will receive a lump sum payment as good and
24 valuable consideration for the waiver and release of claims set forth in Section VII(A), above, in an
25 amount determined by the Settlement Administrator in accordance with the provisions of this
26 Agreement.

27 The lump sum payment to each member of the Settlement Class not excluding him/ herself will
28 be determined in accordance with the procedure set forth in Section X.

1 **B. Funding of Settlement.**

2 Within fifteen (15) calendar days following the date on which the Court grants Final Approval
3 of the Settlement and a determination of the pro-rata share of the settlement amount to which each
4 member of the Settlement Class is entitled, Defendant will deposit the Net Settlement Payments, Court
5 approved attorney's fees and Litigation costs, Court approved enhancement to Named Plaintiff, and
6 the PAGA Settlement into an interest-bearing trust account for the benefit of the participating
7 Settlement Class members and Class Counsel, through the Settlement Administrator. At no time prior
8 to Final Approval of the Settlement shall Defendant be required to escrow any portion of the
9 Settlement Amount.

10 **C. Time for Distribution.**

11 The Settlement Administrator shall cause the Net Settlement Payments, the Court approved
12 attorney's fees and Litigation costs, Court approved enhancement to Named Plaintiff, and PAGA
13 Settlement to be mailed within twenty-one (21) calendar days following the Date of Final Approval.
14 At no time will Defendant be required to escrow any portion of the Settlement Amount.

15 Any unclaimed funds or uncashed checks shall be turned over by the Settlement Administrator,
16 with information for each Settlement Class member who failed to timely cash his/her settlement check,
17 to the State of California to be placed in the State Controller Unclaimed Property Fund in the name of
18 the Settlement Class member. If a check is returned to the Settlement Administrator as undeliverable,
19 the Settlement Administrator shall promptly attempt to obtain a valid mailing address by performing a
20 skip trace search and, if another address is identified, shall mail the check to the newly identified
21 address. If the Settlement Administrator is unable to obtain a valid mailing address through this
22 process, the monies represented by the check shall be turned over according to the above procedures.

23 **XII. NO CONTRIBUTIONS TO EMPLOYEE BENEFIT PLAN**

24 The amounts paid under this Agreement do not represent a modification of any previously
25 credited hours of service under any employee benefit plan, policy, or bonus program sponsored by
26 Defendant. Such amounts will not form the basis for additional contributions to, benefits under, or any
27 other monetary entitlement under, benefit plans (self-insured or not) sponsored by Defendant, policies
28 or bonus programs. Any payments made under the terms of this Settlement shall not be applied

1 retroactively, currently or on a going forward basis as salary, earnings, wages, or any other form of
2 compensation for the purposes of Defendant's benefit plan, policy or bonus program. Defendant
3 retains the right to modify the language of their benefit plans, policies and bonus programs to effect
4 this intent and to make clear that any amounts paid pursuant to this Settlement are not for "hours
5 worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable
6 plans, policies and bonus programs for purpose of eligibility, vesting, benefit accrual, or any other
7 purpose, and that additional contributions or benefits are not required by this Settlement.

8 **XIII. CLASS COUNSEL ATTORNEYS' FEES AND LITIGATION COSTS**

9 Defendant shall not oppose an application by Class Counsel for, and Class Counsel shall not
10 seek or receive an amount in excess of \$726,000, which represents 33% of the Settlement Amount for
11 all past and future attorneys' fees necessary to prosecute, settle and administer the Litigation and this
12 Settlement. Additionally, Defendant shall not oppose an application by Class Counsel for, and Class
13 Counsel shall not seek or receive an amount in excess of \$10,000.00, which represents all past and
14 future Litigation costs and expenses necessary to prosecute, settle and administer the Litigation and
15 this Settlement. Any attorneys' fees or Litigation costs awarded to Class Counsel by the Court shall
16 be deducted from the Settlement Amount for the purpose of determining the Net Settlement Amount.
17 The "future" aspect of these amounts include, without limitation, all time and expenses expended by
18 Class Counsel in defending the Settlement and securing preliminary and Final Approval (including
19 any appeals therein), and all communication and advice to Settlement Class Members attendant
20 thereto. There will be no additional charge of any kind to either the members of the Settlement Class
21 or request for additional consideration from Defendant for such work. This amount shall include all
22 attorneys' fees, Litigation costs, and expenses for which Named Plaintiffs and Class Counsel could
23 claim under any legal theory whatsoever. Within twenty-one (21) calendar days following the Date of
24 Final Approval, the Settlement Administrator shall disburse payment from the Settlement Amount for
25 the amount of attorneys' fees and Litigation costs approved by the Court to Class Counsel. Should the
26 Court approve a lesser percentage or amount of fees and/or Litigation costs than the amount that Class
27 Counsel ultimately seeks, then any such unapproved portion or portions shall revert into the Net
28 Settlement Amount to be distributed between the participating Settlement Class Members on a pro-rata

1 basis consistent with this Agreement.

2 **XIV. ENHANCEMENT TO NAMED PLAINTIFFS**

3 Defendant shall not oppose an application by the Named Plaintiffs, and Named Plaintiffs shall
4 not seek or receive an amount in excess of: \$15,000.00 to ANDRES FLORES, for his participation in
5 and assistance with the Litigation and \$5,000.00 to SAL MAGANA for their participation in and
6 assistance with the Litigation (*i.e.*, Named Plaintiff's class representative enhancement / service
7 award). Any enhancement awarded to Named Plaintiffs by the Court shall be deducted from the
8 Settlement Amount for the purpose of determining the Net Settlement Amount, and shall be reported
9 on IRS Form 1099. If the Court approves an enhancement of less than that requested to each Named
10 Plaintiff, then the unapproved portion or portions shall revert into the Net Settlement Amount to be
11 distributed between the participating Settlement Class Members on a pro-rata basis.

12 **XV. TAXATION AND ALLOCATION**

13 The Parties agree that all employment taxes and other legally required withholdings will be
14 withheld from payments to the members of the Settlement Class and Named Plaintiffs based on the
15 Parties stipulated allocation of the Net Settlement Amount as provided for in this Section.

16 In Defendant's sole discretion, and to which Named Plaintiffs and Class Counsel do not object,
17 the amount of federal income tax withholding will be based upon a flat withholding rate for
18 supplemental wage payments in accordance with Treas. Reg. § 31.3402(g)-1(a)(2) as amended or
19 supplemented. Income tax withholding will also be made pursuant to applicable state and/or local
20 withholding codes or regulations.

21 For withholding tax characterization purposes and payment of taxes, the Net Settlement
22 Amount shall be deemed and is allocated by the Parties as follows ("Net Settlement Allocation"):

- 23 (1) 50% as wages; and
- 24 (2) 50% as penalties and interest.

25 Forms W-2 and/or Forms 1099 will be distributed at times and in the manner required by the
26 Internal Revenue Code (the "Code") and consistent with this Agreement, by the Settlement
27 Administrator. If the Code, the regulations promulgated thereunder, or other applicable tax law, is
28 changed after the date of this Agreement, the processes set forth in this Section may be modified in a

1 manner to bring Defendant into compliance with any such changes.

2 Finally, any and all Employer Taxes for which Defendant normally would be solely
3 responsible for paying, if any, will be paid separately from the Settlement Amount based on the
4 stipulated Net Settlement Allocation.

5 **XVI. PRIVATE ATTORNEYS GENERAL ACT ALLOCATION**

6 In order to implement the terms of this Settlement and to settle claims alleged under the Private
7 Attorneys' General Act, California *Labor Code* section 2698 *et seq.*, the Parties agree to allocate
8 \$20,000.00 from the Maximum Settlement Amount as penalties authorized by the California Labor
9 Code Private Attorneys General Act of 2004 (PAGA). Seventy-five percent (75%) of this amount will
10 be paid to the LWDA and 25% of this amount will be distributed to the participating Class Members,
11 through the Settlement Administrator and at no additional cost to Defendant. Within twenty-one (21)
12 calendar days following the Date of Final Approval, the Settlement Administrator shall disburse the
13 PAGA Settlement to the California Labor Workforce Development Agency ("LWDA") and will
14 provide notice to the LWDA of the fact that the settlement has been approved by the court along with
15 a copy of the settlement agreement and the court order confirming the approval of the settlement
16 through the appropriate LWDA/DIR website.

17 **XVII. COURT APPROVAL**

18 This Agreement and the Settlement is contingent upon Final Approval by the Court and the
19 entry of judgment. Named Plaintiffs and Defendant agree to take all steps as may be reasonably
20 necessary to secure both Preliminary Approval and Final Approval of the Settlement, to the extent not
21 inconsistent with the terms of this Agreement, and will not take any action adverse to each other in
22 obtaining court approval, and, if necessary, appellate approval, of the Settlement in all respects.
23 Named Plaintiffs and Defendant expressly agree that they will not file any objection to the terms of the
24 Settlement or assist or encourage any person or entity to file any such objection.

25 In the event it becomes impossible to secure approval of the Settlement, the Parties shall be
26 restored to their respective positions in the Litigation, as of the date of the Notice of Settlement filed in
27 the Litigation, except as otherwise provided in Section XVIII, below.

28 **XVIII. MISCELLANEOUS PROVISIONS**

1 **A. Stay of Litigation.**

2 Named Plaintiffs and Defendant agree to the stay of all discovery in the Litigation, pending
3 Final Approval of the Settlement by the Court.

4 **B. Interpretation of the Agreement.**

5 This Agreement constitutes the entire agreement between Named Plaintiffs and Defendant.
6 Except as expressly provided herein, this Agreement has not been executed in reliance upon any other
7 written or oral representations or terms, and no such extrinsic oral or written representations or terms
8 shall modify, vary or contradict its terms. In entering into this Agreement, the Parties agree that this
9 Agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic
10 evidence. The Agreement will be interpreted and enforced under the laws of the State of California,
11 both in its procedural and substantive aspects, without regard to its conflict of laws provisions. Any
12 claim arising out of or relating to the Agreement, or the subject matter hereof, will be resolved solely
13 and exclusively in the Superior Court of the State of California for the County of Los Angeles, and
14 Named Plaintiffs and Defendant hereby consent to the personal jurisdiction of the Court over them
15 solely in connection therewith. Named Plaintiffs, on their own behalf and on behalf of the Settlement
16 Class, and Defendant, each participated in the negotiation and drafting of this Agreement and had
17 available to them the advice and assistance of independent counsel. As such, neither Named Plaintiff
18 herein, nor the Defendant, may claim that any ambiguity in this Agreement should be construed for
19 one or against the other.

20 The terms and conditions of this Agreement constitute the exclusive and final understanding
21 and expression of all agreements between Named Plaintiffs and Defendant with respect to the
22 Settlement of the Litigation, and the Agreement supersedes any prior agreements or prior versions of
23 agreements between the parties. The Agreement may be modified only by a writing signed by the
24 original signatories (or their counsel) and approved by the Court.

25 **C. Further Cooperation.**

26 Named Plaintiffs and Defendant and their respective attorneys shall proceed diligently to
27 prepare and execute all documents, to seek the necessary approvals from the Court, and to do all things
28 reasonably necessary or convenient to consummate the Agreement as expeditiously as possible.

1 **D. Confidentiality of Documents.**

2 After the expiration of any appeals period, Named Plaintiff, the Settlement Administrator, and
3 Class Counsel shall maintain the confidentiality of all documents, deposition transcripts, declarations
4 and other information obtained in the lawsuit, unless necessary for appeal or such documents are
5 ordered to be disclosed by the Court or by a subpoena.

6 **E. Counterparts.**

7 The Agreement may be executed in one or more actual or non-original counterparts, including
8 by fax or electronic signature, all of which will be considered one and the same instrument and all of
9 which will be considered duplicate originals.

10 **F. Authority.**

11 Each individual signing below warrants that he or she has the authority to execute this
12 Agreement on behalf of the party for whom or which that individual signs.

13 **G. No Third Party Beneficiaries.**

14 Named Plaintiffs, members of the Settlement Class, and Defendant are direct beneficiaries of
15 this Agreement, but there are no third party beneficiaries.

16 **H. Force Majeure.**

17 The failure of any party to perform any of its obligations hereunder shall not subject such party
18 to any liability or remedy for damages, or otherwise, where such failure is occasioned in whole or in
19 part by acts of God, fires, accidents, earthquakes, other natural disasters, explosions, floods, wars,
20 interruptions or delays in transportation, power outages, labor disputes or shortages, shortages of
21 material or supplies, governmental laws, restrictions, rules or regulations, sabotage, terrorist acts, acts
22 or failures to act of any third parties, or any other similar or different circumstances or causes beyond
23 the reasonable control of such party.

24 **I. Deadlines Falling on Weekends or Holidays.**

25 To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or legal
26 holiday, that deadline shall be continued until the following business day.

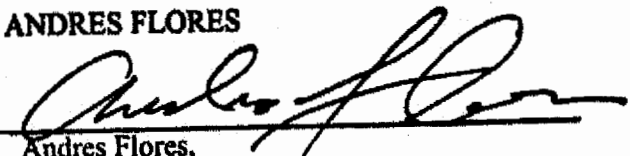
27 **J. Severability.**

28 In the event that any one or more of the provisions contained in this Agreement shall for any

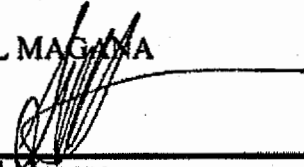
1 reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
2 unenforceability shall in no way effect any other provision if Defense Counsel and Class Counsel, on
3 behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid,
4 illegal, or unenforceable provision had never been included in this Agreement.

5
6 APPROVED AS TO FORM AND CONTENT:


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8
9
10
11 DATE: August 13, 2019

ANDRES FLORES
By: 
Andres Flores,
Plaintiff and Class Representative

12
13
14
15 DATE: August 17, 2019

SAL MAGANA
By: 
Sal Magana,
Plaintiff and Class Representative

16
17
18
19
20
21 DATE: August 20, 2019

RENTOKIL NORTH AMERICA, INC.
By: 
Print: Christine L. Vigliotti
Title: Assistant General Counsel

22
23
24
25
26 Authorized representative for Defendant,
Rentokil North America, Inc.

1 APPROVED AS TO FORM:

2

3 DATE: August 19, 2019

OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.

4

5 By:



JENNIFER SANTA MARIA, Esq.
Attorneys for Defendant

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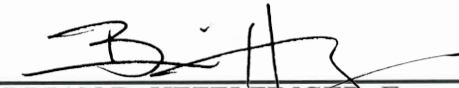
12

13 DATE: August 19, 2019

PALAY HEFELFINGER, APC

14

15 By:



BRIAN D. HEFELFINGER, Esq.
Attorneys for Plaintiffs

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EXHIBIT A
TO SETTLEMENT AGREEMENT

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES
Andres Flores, et al. v. Rentokil North America Inc., Case No. BC 713774

<<Name>>
<<Address>>
<<City>>, <<State>> <<Zip Code>>
XX - XX - _____

**YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A SETTLEMENT.
RENTOKIL NORTH AMERICA INC. WILL NOT RETALIATE AGAINST YOU FOR
PARTICIPATING IN THIS SETTLEMENT.**

THIS NOTICE AFFECTS YOUR RIGHTS. PLEASE READ IT CAREFULLY.

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

YOU ARE HEREBY NOTIFIED that a proposed settlement (“the Settlement”) of the above-captioned class action (“the Action”) filed in the Los Angeles County Superior Court has been reached by the Parties and has been granted Preliminary Approval by the Court supervising the Action. The Los Angeles County Superior Court has ordered that this Class Notice be sent to you because you may be a Settlement Class member. The purpose of this Class Notice is to inform you of the Settlement of this class action and your legal rights under the Settlement as follows:

- RENTOKIL NORTH AMERICA INC. (“Defendant” or “Rentokil”) has agreed to settle a lawsuit brought on behalf of all individuals currently or previously employed by Defendant as a pest technician or similar role, that have worked under a Steritech compensation plan within California from July 23, 2014 to the present. (Collectively, this is referred to as the “Settlement Class”).
- The proposed Settlement resolves claims regarding the following wage and hour policies of Defendant: unpaid wages, overtime, minimum wage, meal and rest breaks, wage statement violations, and waiting time penalties. Finally, the settlement resolves claims for unfair competition and penalties under California’s Private Attorney General Act (“PAGA”) arising out of the wage and hour policies of Defendant Rentokil. The settlement avoids costs and risks to you from continuing the lawsuit; pays money to employees; and releases Defendant from liability for these claims.
- The two sides disagree on whether Defendant Rentokil is liable for the allegations raised in this case and how much money could have been won if the employees won at trial.
- **Your legal rights may be affected. Read this notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Get a Payment	If you are a member of the Settlement Class, you will automatically receive a payment if you do not exclude yourself. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below.
Exclude Yourself	Get no payment. Send a letter to the Settlement Administrator as provided below. This is the only option that allows you to bring your own claim against Defendant about the legal claims in this case. The Settlement will bind all Class Members who do not request exclusion.
Object	Write to the Court about why you do not like the settlement. Directions are provided below.

WHY DID YOU RECEIVE THIS NOTICE?

This notice explains a proposed settlement of a lawsuit, and informs you of your legal rights under that proposed settlement. You are receiving this notice because you may be a member of a class on whose behalf this lawsuit has been brought.

WHAT IS THIS LAWSUIT ABOUT?

Plaintiffs ANDRES FLORES and SAL MAGANA (the “Named Plaintiffs” or “Plaintiffs”) filed this lawsuit in Los Angeles County Superior Court on behalf of the Settlement Class. The lawsuit alleges that members of the Settlement Class were not paid for or properly provided meal and rest breaks, were not issued accurate wage statements, were not paid all wages including regular, overtime and minimum wage, were not paid all wages due at termination and/or resignation, and were subjected to unfair competition. The lawsuit seeks recovery of wages, restitution, statutory and civil penalties, interest, and attorneys’ fees and costs.

Defendant Rentokil denies any liability or wrongdoing of any kind associated with the claims alleged in the lawsuit and further denies that the lawsuit is appropriate for class treatment for any purpose other than settling this lawsuit. Defendant contends, among other things, that it complied at all times with the California Labor Code, the California Business and Professions Code, and all other applicable laws. The Court has made no ruling and will make no ruling on the merits of the Action and its allegations and claims.

SUMMARY OF THE SETTLEMENT

A. Why is there a Settlement?

The Court did **not** decide in favor of the Plaintiffs or Defendant. Plaintiffs think they would have prevailed on their claims at a trial. Defendant does not think that Plaintiffs would have won anything from a trial. But there was no trial. Instead, both sides agreed to a settlement. That way, they avoid the costs, risks, and uncertainty of a trial, and the class members will get compensation. Plaintiffs and their attorneys believe the settlement is fair, reasonable, adequate, and in the best interests of all class members.

B. Who is in the Class?

The Settlement Class consists of all individuals currently or previously employed by Defendant that have worked under a Steritech compensation plan as a Pest Technician (or similar role) within California from July 23, 2014 to the present.

C. What does the Settlement provide?

1. Settlement Amount.

Defendant will pay a total of Two Million Two Hundred Thousand Dollars and Zero Cents (\$2,200,000.00) (the "Settlement Amount") to settle the lawsuit.

The following sums will be paid from the Settlement Amount: all Settlement Payments to the Settlement Class, Attorneys' Fees (not to exceed 33% of the Settlement Amount, or \$726,000.00), Litigation Expenses not to exceed \$10,000.00, Settlement Administrative Costs estimated in an amount not to exceed \$10,000.00, the PAGA Settlement Payment in the amount of \$20,000.00, an enhancement payment to the Named Plaintiffs, as follows - \$15,000.00 to ANDRES FLORES and \$5,000.00 to SAL MAGANA for their respective participation in and assistance with the Action.

The funds used for the Settlement Amount shall be paid to the Settlement Administrator. The Settlement Administrator shall disburse the Court-approved enhancement to the Named Plaintiff, Court-approved Attorneys' Fees and Litigation Expenses, Settlement Administration Costs, and the PAGA Settlement Payment at the same time and manner as the Settlement Payments to the Settlement Class members.

2. Net Settlement Amount

"Net Settlement Amount" means the Settlement Amount minus the Attorneys' Fees, Litigation Expenses, Settlement Administrative Costs, the PAGA Settlement payment, and the enhancement payments to the Named Plaintiffs.

3. Your Individual Payment Amount.

The Claims Administrator will calculate the total number of workweeks for all Class Members who were employed by Defendant during the Settlement Class Period, or July 23, 2014 through the date on which preliminary approval of the Settlement is granted (the "Total Workweeks"). The value of each Workweek shall be determined by the Claims Administrator by dividing the Net Settlement Amount by the total number of Workweeks available to the Class Members during the Settlement Class Period ("Workweek Point Value").

An "Individual Settlement Payment" for each Class Member will then be determined by multiplying a Class Member's workweeks ("Eligible Workweeks") by the Workweek Point Value. The Individual Settlement Payment will be reduced by any required legal deductions, for each participating Class Member.

4. Tax Matters.

The Settlement Administrator will distribute IRS Forms W-2 and 1099 (and the equivalent California forms) to Settlement Class members reflecting the payments each Settlement Class member receives under the Settlement. For tax purposes Settlement Payments will be allocated as follows: 50% as wages and 50% as penalties and interest. Forms W-2 and/or Forms 1099 will be distributed at times and in the manner required by the Internal Revenue Code and the California Franchise Tax Board.

Interest and penalties paid under this Settlement shall not be subject to federal, state and local payroll withholding taxes. The Settlement Administrator shall issue an IRS form 1099 for payments of interest and penalties. The usual and customary deductions will be taken out of the amounts attributable to unpaid wages. Settlement Class members should consult with their tax advisors concerning the tax consequences of the payment they receive under the Settlement.

D. What are you giving up to get a payment and stay in the Class?

Each member of the Settlement Class, except those who opt out, will release any and all claims and causes of action, known or unknown, contingent or accrued, against Rentokil, its parents, subsidiaries, affiliates, their insurers, attorneys and all agents thereof, arising out of the facts and claims asserted in the Action for wage and hour violations, or any other claims or causes of action that could have reasonably been asserted in the Action, based upon the facts alleged including: unpaid wages including any regular, minimum and/or overtime wages; meal and rest breaks violations; wage statement violations; separation pay violations; unfair business practices; and violations of the PAGA. This release also encompasses provisions of the applicable IWC wage order that pertain to the aforementioned claims.

THE FINAL APPROVAL HEARING

The Court will conduct a Final Approval Hearing regarding the proposed settlement (the “Final Approval Hearing”) on _____, 2019, at _____, in Department _____ of the Los Angeles County Superior Court. The Court will determine: (i) whether the settlement should be given the Court’s final approval as fair, reasonable, adequate and in the best interests of the Settlement Class members; (ii) whether the Settlement Class members should be bound by the terms of the settlement; (iii) the amount of the attorneys’ fees and costs to Plaintiff’s counsel; and (iv) the amount that should be awarded to the Plaintiffs as an enhancement payment. At the Final Approval Hearing, the Court will hear all properly filed objections, as well as arguments for and against the proposed Settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, or to enter an appearance and represent yourself.

The Final Approval Hearing may be continued without further notice to the Class. You may contact Plaintiff’s counsel, listed in this Notice, to inquire into the date and time of the Final Approval Hearing.

Condition of Settlement. This Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class.

WHAT ARE YOUR OPTIONS?

- **OPTION 1 – GET A PAYMENT**

IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS AND WISH TO RECEIVE YOUR SHARE OF THE SETTLEMENT, THEN YOU DO NOT HAVE TO DO ANYTHING AND YOU WILL AUTOMATICALLY RECEIVE A SETTLEMENT PAYMENT. YOU ARE NEVER REQUIRED TO GO TO COURT OR PAY ANYTHING TO THE LAWYERS IN THIS CASE.

The estimated amount of your Settlement Payment is set forth on the Workweek Dispute Form which accompanies this Notice.

The amount of the Settlement Payment paid to each Settlement Class member is based upon the number of workweeks you worked between July 23, 2014 and [date of preliminary approval]. The number of workweeks applicable to your claim is also set forth on the accompanying Workweek Dispute Form. If you believe that the number of workweeks stated is incorrect, you may dispute the number of workweeks by following the instructions on the Workweek Dispute Form. If you believe that the number of workweeks stated is correct, you do not have to do anything.

The Settlement Payment you will receive will be a full and final settlement of your released claims described in Section D above.

- **OPTION 2 – EXCLUDE YOURSELF FROM THE SETTLEMENT**

You have a right to exclude yourself (“opt out”) from the Settlement Class, but if you choose to do so, you will not receive any benefits from the proposed settlement. You will **not** be bound by a judgment in this case and you will have the right to file your own lawsuit against Defendant, subject to time limits called Statute of Limitations and other potential defenses that Defendant may assert, and to pursue your own claims in a separate suit. If you choose to opt out of the proposed settlement and pursue an individual suit you will be required to hire and pay for your own counsel of your own choosing to represent you in such an individual suit.

You can opt out of the Settlement Class by sending a letter by first class U.S. mail to the Settlement Administrator which must: (1) state your name, address, telephone number, and the last four digits of your Social Security number; (2) state the case name and number as follows: Andres Flores et al. v. Rentokil North America Inc., Case No. BC713774; (3) state that you request exclusion from or “opt out” of the Settlement; (4) be dated; and (5) be signed by you. To be valid, your request for exclusion must be postmarked no later than _____ [30 days after mailing].

- **OPTION 3 – OBJECT TO THE SETTLEMENT**

If you wish to remain a Settlement Class member, but you object to the proposed settlement (or any of its terms) and wish the Court to consider your objection at the Final Approval Hearing, you may object to the proposed settlement in writing. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense, provided you timely submit your objection.

Any objection must be mailed to the Settlement Administrator, CPT Group, Inc. at _____ (Address) and must be postmarked no later than 30 days from the date this notice was initially mailed to you.

PLAINTIFF'S/CLASS COUNSEL
PALAY HEFELFINGER APC

Daniel J. Palay, Esq.
Brian D. Hefelfinger, Esq.
1746 S. Victoria Avenue, Suite 230
Ventura, California 93003
Phone: (805) 628-8220

DEFENDANT'S COUNSEL
OGLETREE, DEAKINS, NASH, SMOAK
& STEWART, P.C.

Jennifer L. Santa Maria, Esq.
Jesse C. Ferrantella, Esq.
4370 La Jolla Village Dr., Suite 990
San Diego, California 92122
Phone: (858) 652-3100

CHANGE OF ADDRESS

If you move after receiving this Notice, if it was misaddressed, or if for any reason you want your Settlement Award or future correspondence concerning this Action to be sent to a different address, you must supply your preferred address to the Settlement Administrator at [redacted] (Address).

ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you may review the detailed "Stipulation of Class Action Settlement" which is available for viewing online along with other court records regarding this case, on the Court's website using the following information:

URL: <http://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil>

The pleadings and other records in the lawsuit may also be examined in person at any time during regular business hours at the Office of the Clerk of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012.

ANY INQUIRIES REGARDING THIS LITIGATION SHOULD BE MADE TO PLAINTIFF'S COUNSEL LISTED ABOVE OR TO THE SETTLEMENT ADMINISTRATOR, CPT GROUP, INC., [address] [telephone]. Please refer to the *Flores v. Rentokil* Class Action Settlement.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS.

39473390.1

**EXHIBIT B
TO SETTLEMENT AGREEMENT**

CLASS WORKWEEK DISPUTE FORM

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

Andres Flores, et al. v. Rentokil North America Inc., Case No. BC 713774

Indicate Name/Address Changes, if any:

<<Name>>

<<Address>>

<<City>>, <<State>> <<Zip Code>>

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INSTRUCTIONS

IF YOU WERE EMPLOYED BY RENTOKIL NORTH AMERICA, INC. (“DEFENDANT”), OR ANY OF ITS PREDECESSOR COMPANIES SUCH AS STERITECH, AS A PEST TECHNICIAN (OR SIMILAR ROLE) UNDER A STERITECH COMPENSATION PLAN WITHIN CALIFORNIA FROM JULY 23, 2014 AND [Preliminary Approval Date], THEN YOU ARE A SETTLEMENT CLASS MEMBER.

The amount of your estimated Settlement Payment is based upon the Eligible Workweeks you worked for Defendant in California from July 23, 2014 to [date of preliminary approval] as a Pest Technician (or similar role).

“Eligible Workweeks” are defined as any week in which you worked at least one (1) day during the calendar week. The number of Eligible Workweeks applicable to your claim is set forth in Section I below. If you believe that the number of workweeks stated is incorrect, you may dispute the number of workweeks by submitting this completed Workweek Dispute Form with supporting documents on or before _____ [30 days after initial mailing]. **If you believe that the number of workweeks stated below is correct, you do not have to do anything.**

If you have moved or may move in the future, you must immediately send your new address to the Settlement Administrator at the address listed above; otherwise, your individual settlement payment may not reach you. It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your settlement payment.

I. YOUR COMPENSABLE WORKWEEKS

You worked as a Pest Technician (or similar role) under a Steritech compensation plan in California, which qualifies you as a Settlement Class Member, and your total number of Eligible Workweeks in this position are: <<NUMBER OF WORKWEEKS>> .

II. YOUR ESTIMATED SETTLEMENT PAYMENT

Based upon the number of workweeks stated above, your estimated pre-tax Settlement Payment is <<INSERT>>.

III. CHALLENGE TO WORKWEEKS

If you wish to dispute the Eligible Workweeks data listed, you must postmark your dispute and provide all supporting information and/or documentation to the Settlement Administrator by **<<NOTICE PERIOD DEADLINE>>**.

*Check a box below **ONLY** if you wish to dispute the data listed in Section I:*

I wish to dispute the number of Eligible Workweeks listed in Section I. I believe the correct amount of my workweeks is _____. I have also included information and/or documentary evidence that support my dispute. I understand that, by submitting this dispute, I hereby authorize the Settlement Administrator to review Defendant’s records and make a determination as to the validity of my dispute based upon Defendant’s records as well as the records and information that I submit to the Settlement Administrator.

I declare under penalty of perjury under the laws of the State of California and the United States of America that the information I provided in this Workweek Dispute Form is true and correct.

Dated: _____

Signature: _____

Print or Type Name: _____

MAIL TO:
ANDRES FLORES ET AL. V. RENTOKIL N.A., INC. Settlement Administrator
c/o
CPT Group, Inc.
address

IF YOU ARE CONTESTING THE AMOUNT OF YOUR ELIGIBLE WORKWEEKS, YOU MUST SIGN, POSTMARK, AND RETURN THIS FORM TO THE SETTLEMENT ADMINISTRATOR ON OR BEFORE **<<CLAIMS PERIOD DEADLINE>>.**