

EXHIBIT “1”

Proposed Settlement Agreement

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SETTLEMENT AGREEMENT

This Settlement Agreement (the “Agreement”) is entered into by and between Tiffanie Padan, individually and as representative for all opt-in plaintiffs (collectively “Plaintiffs”), on the one hand, and Alorica Business Solutions, Inc. f/k/a West Business Solutions, LLC and its past, present and future parents, divisions, related business entities, subsidiaries, affiliates, and successors (“Alorica”), on the other hand. Plaintiffs and Alorica are, at times, hereinafter jointly referred to as the “Parties.” This Agreement shall be effective as of the date it has been executed by the Parties.

WHEREAS, Plaintiffs have asserted claims against Alorica in Case No. 2:15-cv-00394-GMN-CWH; *Tiffanie Padan, individually, and on behalf of others similarly situated, v. West Business Solutions, LLC*; in the United States District Court for the District of Nevada (hereinafter “the Lawsuit”);

WHEREAS, the Lawsuit includes claims under the Fair Labor Standards Act (“FLSA”) alleging overtime and minimum-wage violations, claims for breach of contract, and claims alleging overtime and minimum wage violations under Nevada state law;

WHEREAS, the Court conditionally certified the Lawsuit as a collective action pursuant to the FLSA and approved the sending of notice to certain class members, which notice was sent by the named plaintiff, Tiffanie Padan, through her counsel;

WHEREAS, certain recipients of the notice decided to opt-in and be bound by any resolution or settlement of this case;

WHEREAS, bona fide disputes exist between the Parties about numerous factual and legal issues in the Lawsuit;

AND WHEREAS, Alorica denies any and all of Plaintiffs’ allegations in the Lawsuit, and the Parties wish to settle their disputes to avoid the uncertainty, expense, and burden of further litigation.

NOW, THEREFORE, for good and valuable consideration, the adequacy and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Settlement Administrator. Rust Consulting is designated as Settlement Administrator. The responsibilities and duties of the Settlement Administrator are set forth

below. The Settlement Administrator shall serve as trustee of the Settlement Fund and shall act as a fiduciary with respect to the handling, management, and distribution of the Settlement Fund. The Settlement Administrator shall act in a manner necessary to qualify the Settlement Fund as a “Qualified Settlement Fund” under the Internal Revenue Code.

2. Settlement Fund. In exchange for the releases and other consideration contained herein, within fourteen (14) days after the occurrence of final Court approval of this Agreement and the filing of **Exhibit B** (Agreed Order of Dismissal with Prejudice), Alorica shall pay or cause to be paid to the Settlement Administrator a total of \$700,000.00 (the “Settlement Fund”) to be used as follows: (1) to Plaintiffs, the aggregate amount of \$397,320.15 (“Class Payment”); (2) to Plaintiffs’ counsel for attorneys’ fees and litigation expenses in the cumulative amount of \$266,600.00 respectively (“Attorneys’ Fees and Expenses Payment”); (3) to Tiffanie Padan for an incentive payment in the amount of \$7,500.00 (“Incentive Payment”); and (4) to the Settlement Administrator for the settlement administration expenses in an amount not to exceed \$28,579.85 (“Administration Expense Reserve Payment”). Any portion of the Administration Expense Reserve Payment that exceeds the actual settlement administration fees incurred by the Settlement Administrator will be added to the Attorneys’ Fees and Expenses Payment for Plaintiffs’ counsel. Any portion of the Attorneys’ Fees and Expense Payment, the Incentive Payment, or the Administration Expense Reserve Payment that is not approved by the Court shall be added to the Class Payment and be distributed to the Plaintiffs pro-rata. The Settlement Funds will be placed in a bank account (the “Settlement Fund Account”) by the Settlement Administrator with a unique Tax Payer Identifier Number. The Settlement Fund Account will constitute a Qualified Settlement Fund and it will be created, managed, and disbursed by the Settlement Administrator pursuant to this Agreement and subject to the continuing jurisdiction of the Court. Except as specifically provided herein, Alorica will have no responsibilities with respect to the administration of the Settlement Fund Account, including any distribution therefrom.

3. Dissemination of the Individual Checks and Notice.

(a) Checks totaling the Class Payment shall be issued by the Settlement Administrator to each individual Plaintiff in the amounts calculated by Alorica as set

forth in Paragraphs 3(b)-(c) (the “Individual Checks”) within twenty-one (21) days of receipt of the \$700,000.00 Settlement Fund from Alorica.

(b) The payment to each Plaintiff will be calculated using the following methodology. Alorica shall make the following calculation based on the available timeclock data for each Plaintiff. For each week after the Plaintiff’s first three weeks of employment (to account for initial job training time), three and a half (3.5) minutes will be added to days worked by a Plaintiff to account for the start-up and shut-down time that was allegedly unpaid. The individual payments include 100% of any resulting overtime wages under the FLSA, plus doubling to account for liquidated damages. Any Plaintiffs who worked in Nevada, North Carolina, and Washington will also receive payment for any resulting “gap time” wages (the non-overtime wages that would be earned by adding minutes to each shift). For Plaintiffs who worked for Alorica in Nevada, individual payments will include gap-time wages at a contractual rate, which will be doubled to account for the possibility of late-payment penalties under Nevada law. For Plaintiffs who worked in North Carolina, individual payments will include gap-time wages at a contractual rate. For Plaintiffs who worked in Washington, individual payments will include gap-time wages at the state minimum-wage rate. Alleged damages shall be calculated for the time period of December 21, 2013 to August 7, 2015. A Plaintiff shall be excluded from this calculation if he or she does not meet the class definition or would not have been affected by the alleged misconduct, including: (1) Plaintiffs who worked on line groups with computer programs that had extremely fast start-up and shut-down times due to using only one computer application as opposed to multiple programs; and (2) Plaintiffs who worked on line groups that used a different timekeeping system than PC Punch.

(c) If a Plaintiff would otherwise receive a payment greater than \$0 but less than \$20 under the methodology described in Paragraph 3(b), that Plaintiff will receive a minimum payment of \$20. If a Plaintiff would otherwise receive no payment under the methodology described in Paragraph 3(b), that Plaintiff will receive a flat payment of \$10. A Plaintiff shall receive no payment whatsoever under this Settlement Agreement if he or she signed a full release after his or her employment with Alorica ended.

(d) On or before the date when the Settlement Funds are due to be paid to the Settlement Administrator, Alorica shall provide the Settlement Administrator with a list showing the payment amount due to each Plaintiff under Paragraphs 3(b)-(c). Alorica shall make the list available for *in camera* inspection by the Court upon request.

(e) The Individual Checks shall be disseminated by the Settlement Administrator by first class mail. The Individual Checks will be accompanied by a notice that includes a condensed copy of this Agreement in the form attached as **Exhibit A** to this Agreement (the "Notice"). The Notice and the face of each check sent to Plaintiffs shall clearly state that the check must be cashed within sixty (60) calendar days (the "Expiration Date") of its date of issuance. The back of each check will contain a legend stating: "By negotiating this check and accepting payment, I agree to all the terms of the Settlement Agreement including specifically that I have released and discharged Alorica Business Solutions, Inc., formerly known as West Business Solutions, LLC, and its past, present and future parents, divisions, related business entities, subsidiaries, affiliates, and successors from all Released Claims, including without limitation all claims arising under the Fair Labor Standards Act, any state or local wage and hour laws." Plaintiffs must sign the check in the space following the legend; provided, however, that the release of claims set forth on the check shall still be enforceable if any plaintiff negotiates a check without a signature.

(f) The Individual Checks will also be accompanied by a Form W-2 and a Form 1099-MISC, to the extent each form is applicable, issued by the Settlement Administrator. The Settlement Administrator will issue an IRS Form W-2 for all amounts paid as wages under this settlement, making all deductions and withholdings required under law including the employees' share of all applicable payroll taxes. Wages include half of the amount paid to each Plaintiff over \$20, other than the Incentive Payment to Tiffanie Padan. In addition to the \$700,000 Settlement Fund, Alorica is responsible for depositing with the Settlement Administrator the amount necessary for the payment of the employer's share of payroll taxes required by law. The Settlement Administrator will issue to all Plaintiffs receiving individual awards an IRS Form 1099-MISC for all amounts paid other than wages, as required by law.

(g) The Settlement Administrator shall process any Individual Checks returned as undeliverable as follows. The Settlement Administrator shall re-mail the Individual Checks and accompanying materials one time to either an expired forwarding address provided by the postal service or, at the direction of Plaintiffs' counsel, to an address provided by Plaintiffs' counsel. If no expired forwarding address is provided by the postal service and Plaintiffs' counsel provides no address information, the Settlement Administrator is not obligated to re-mail as set forth above. The Settlement Administrator shall have no obligation to re-mail Individual Checks and the accompanying materials a second time.

4. Dissemination of Attorneys' Fees and Potential Service Payments. The Attorneys' Fees and Expenses Payment shall be made by wire transfer by the Settlement Administrator to Sommers Schwartz, P.C. within five (5) days of receipt of the Settlement Fund from Alorica. Sommers Schwartz, P.C. shall have the sole and absolute discretion to allocate the Attorneys' Fees and Expenses Payment among counsel for the Plaintiffs.

5. Dissemination of Incentive Payment. The Incentive Payment shall be made by check made payable by the Settlement Administrator to Tiffanie Padan and mailed to Sommers Schwartz, P.C. within ten (10) days of receipt of the Settlement Fund from Alorica.

6. Other Duties of the Settlement Administrator. In addition to the above duties of the Settlement Administrator, the duties of the Settlement Administrator shall include:

(a) Regularly communicating to Plaintiffs' counsel and Defendant's counsel any issues it believes may impact the settlement process.

(b) Issuing appropriate IRS documentation.

(c) Maintaining copies, front and back, of Individual Checks negotiated by recipients and providing such copies to Plaintiffs' counsel or Defendant's counsel upon request at the separate expense of any requesting party.

(d) Filing the 1120-SF tax return for the qualified settlement fund at the applicable time(s).

(e) Utilizing a positive pay-type bank account, and declining to honor Individual Checks that remain un-cashed after 120 days from issuance.

(f) Making reasonable efforts to close the settlement fund by the end of 2017.

(g) Performing other duties as are reasonably called for in order to perform its enumerated obligations hereunder and/or as directed jointly by Plaintiffs' counsel and Defendant's counsel, and performing other duties not inconsistent with the terms hereof as directed by the Court.

7. Expenses of Dissemination. Alorica shall pay for the fees and expenses of the Settlement Administrator, which shall be paid from the Administration Expense Reserve Payment and has been capped at that amount by agreement with the Settlement Administrator.

8. Unused Settlement Funds. If sixty (60) days after the Expiration Date, any portion of the Settlement Fund remains unused due to un-cashed checks or due to checks returned as undeliverable, such unused portion of the Settlement Fund shall be paid promptly by the Settlement Administrator to Alorica.

9. Dismissal of Lawsuit. Within three (3) business days after final court approval of this Agreement, the Parties shall jointly submit an agreed order of dismissal with prejudice of the Lawsuit in the form attached as **Exhibit B**. Except with respect to payments made for attorneys' fees and expenses as specified in paragraphs 2 and 4, the Parties agree that each will bear his/her or its own attorneys' fees, expenses, and costs incurred in the Lawsuit.

10. No Admission Of Liability. Plaintiffs agree that this Agreement is not, and shall not be considered, an admission of any wrongdoing by Alorica. This Agreement shall not be admissible in any proceeding before any tribunal, except to enforce this Agreement.

11. Released Claims. Each and every Plaintiff, for himself/herself, his/her heirs, executors, and administrators, agrees to, and by this Agreement does, release and forever discharge Alorica, its past, present, and future parents, affiliates, and predecessors, and their respective past, present, and future divisions, subsidiaries, affiliates, and related companies, and all of their successors, assigns, directors, officers, employees, attorneys, agents, and representatives, both personally and in their representative capacities (collectively, the "Releasees"), of and from all manner of claims, actions, causes of action, sums of money, covenants, contracts, controversies, agreements, promises, damages (including but not limited to attorneys' fees), and demands that were or could have been asserted in the Lawsuit related to

or arising out of any and all claims for unpaid wages, including any claim arising under the Fair Labor Standards Act (“FLSA”), state and local wage and hour laws, whether in law or equity, which he/she ever had, may have had, now has, or which his/her heirs, executors, or administrators hereinafter can, shall, or may have, as a result of any act or omission by the Releasees from the beginning of time through the effective date of this Agreement, whether known or unknown, asserted or unasserted, suspected or unsuspected (collectively, the “Released Claims”). The Plaintiffs further covenant not to sue or otherwise initiate litigation based on any of the Released Claims.

12. Scope of Releases. The Parties acknowledge that (a) they may subsequently discover facts in addition to, or different from, those that they now know or believe to be true with respect to the Plaintiffs’ Released Claims, or that could have been asserted with respect to the Plaintiffs’ Released Claims; and (b) they may have sustained or may yet sustain damages, costs, or expenses that are presently unknown and that relate to the Plaintiffs’ Released Claims. The Parties acknowledge, however, that they have negotiated, agreed upon, and entered into this Agreement with full knowledge of these possibilities, and agree that this Agreement shall not be affected in any manner whatsoever if any of these possibilities occur.

13. **CONFIDENTIALITY OF AGREEMENT.** Plaintiffs agree that this Agreement is confidential and that they will not disclose the terms of this Agreement, unless disclosure by Plaintiffs of such information is required by law or judicial or administrative process or order, is necessary to enforce the provisions of this Agreement, is necessary for a legal or tax advisor to provide advice to the Plaintiff, or is made to his/her spouse.

14. General Provisions.

(a) Entire Agreement. This Agreement contains the entire understanding of the Parties and all of the terms and conditions with respect to the matters discussed herein. This Agreement supersedes and annuls any and all other or former agreements, contracts, promises, or representations, whether written or oral, expressed or implied, made by, for, or on behalf of any of the Parties with respect to the matters discussed herein. Each of the Parties enters into this Agreement freely and voluntarily and with a full understanding of the Agreement’s terms. Each of the Parties acknowledges that, except as expressly set

forth herein, no representations of any kind or character have been made to induce the other party to execute this Agreement.

(b) Consultation With Counsel. Alorica and Plaintiffs acknowledge that he/she or it has retained counsel of his/her or its own choosing concerning the matters addressed herein; that he/she or it has read and fully understands the terms of this Agreement and/or has had this Agreement reviewed and approved by his/her or its counsel of choice, with adequate opportunity and time for such review; that this Agreement is the result of substantial negotiations; and that he/she or it is fully aware of the contents of this Agreement and of its legal effect. This Agreement shall not be construed against any party on the grounds that such party drafted this Agreement. Instead, this Agreement shall be interpreted as though drafted equally by the Parties.

(c) Modifications Of The Agreement. This Agreement may not be altered, amended, superseded, or otherwise modified except in writing signed by the party to be charged.

(d) No Waiver. Failure by any party to enforce any of the remedies provided in this Agreement with respect to a breach of this Agreement shall not be deemed a waiver of any other breach of this Agreement.

(e) Severability. If any provision of this Agreement is for any reason held to be invalid or unenforceable, such provision shall not affect any other provision hereof, but this Agreement shall be construed as if such invalid and/or unenforceable provision had never been contained herein.

(f) Binding Effect. This Agreement is binding upon the Parties, their heirs, representatives, executors, administrators, successors, and assigns.

(g) Cooperation. Each of the Parties agrees to cooperate fully, to execute any and all supplementary documents, and to take all additional actions that may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement, including filing a Motion for Judicial Approval with this Agreement.

(h) Headings. The paragraph headings are for ease of reference only and shall have no substantive effect.

(i) Counterparts. This Agreement may be signed in counterparts. All executed copies of this Agreement, including those transmitted by facsimile or electronic mail, are duplicate originals, equally admissible as evidence

(j) Attorneys' Fees. The prevailing party in any dispute arising out of or relating to the interpretation, application, or enforcement of any provision of this Agreement shall be entitled to recover all of its reasonable attorney's fees and expenses incurred in such a dispute. In the event of a breach of the covenants of this agreement by any Plaintiff, it is specifically understood that counsel for Plaintiffs will not indemnify any individual Plaintiff or be held jointly or severably liable as a result of a breach by a particular Plaintiff.

15. Authority. By signing below, each signatory represents that he/she or it has been duly authorized to enter into this Agreement, individually or as a representative, on behalf of the party or parties for whom he/she or it is purporting to sign.

16. Settlement Contingent Upon Court Approval. The Parties expressly acknowledge and agree that a condition precedent to the existence of this Agreement is final court approval of the terms and conditions of this Agreement, including without limitation approval of the dismissal of the Lawsuit with prejudice and ordering the creation of the qualified settlement fund subject to its continuing jurisdiction and approving the Settlement Administrator ("Final Approval"). The Parties agree to diligently and jointly seek court approval of this Agreement. This Agreement shall be null and void and of no effect if the Parties are unable to obtain Final Approval.

[SIGNATURES ON FOLLOWING PAGES]

I HAVE READ THIS SETTLEMENT AGREEMENT CAREFULLY AND FULLY UNDERSTAND AND AGREE TO SAME ON BEHALF OF MYSELF, INDIVIDUALLY, AND AS REPRESENTATIVE OF ALL OPT-IN PLAINTIFFS.

Tiffanie Padan Date: _____

THE STATE OF NEVADA §
 §
COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this ____ day of _____, 2017, personally appeared Tiffanie Padan, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration expressed therein.

SUBSCRIBED AND SWORN TO BEFORE ME on the ____ day of _____, 2017, to certify which witness my hand and official seal.

NOTARY PUBLIC, STATE OF NEVADA

I HAVE READ THIS SETTLEMENT AGREEMENT CAREFULLY AND FULLY UNDERSTAND AND AGREE TO SAME ON BEHALF OF ALL OPT-IN PLAINTIFFS.

SOMMERS SCHWARTZ, P.C.

One Towne Square, Suite 1700
Southfield, Michigan 48076
248.355.0300

By: _____

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**ATTORNEYS FOR PLAINTIFF TIFFANIE PADAN
AND THE OPT-IN PLAINTIFFS**

I HAVE READ THIS SETTLEMENT AGREEMENT CAREFULLY AND FULLY UNDERSTAND AND AGREE TO SAME ON BEHALF OF ALORICA BUSINESS SOLUTIONS, INC. f/k/a WEST BUSINESS SOLUTIONS, LLC.

By: _____
Tania King
Chief Legal Officer

THE STATE OF CALIFORNIA §
 §
COUNTY OF ORANGE §

BEFORE ME, the undersigned authority, on this day personally appeared Tania King, in her capacity as Chief Legal Officer of Alorica Business Solutions, Inc., known to me to be the entity whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration expressed therein.

SUBSCRIBED AND SWORN TO BEFORE ME on the ____ day of _____, 2017, to certify which witness my hand and official seal.

Notary Public in and for the State of California

I HAVE READ THIS SETTLEMENT AGREEMENT CAREFULLY AND FULLY UNDERSTAND AND AGREE TO SAME ON BEHALF OF ALORICA BUSINESS SOLUTIONS, INC. f/k/a WEST BUSINESS SOLUTIONS, LLC.

FENNEMORE CRAIG, P.C.

By: _____
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WEISBART SPRINGER HAYES, LLP

By: _____
(Admitted *Pro Hac Vice*)
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**ATTORNEYS FOR DEFENDANT ALORICA BUSINESS
SOLUTIONS, INC. F/K/A WEST BUSINESS
SOLUTIONS, LLC**

EXHIBIT A
[NOTICE]

EXHIBIT B
[AGREED ORDER OF DISMISSAL]