EXHIBIT 1

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14	UNITED STATE	S DISTRICT COURT		
15	NORTHERN DISTRICT OF CALIFORNIA			
16	OAKLAN	ND DIVISION		
17	MARLEY CASTRO and LUCIA	CASE NO. 4:17-cv-03026-YGR		
18	MARMOLEJO, on behalf of themselves and all others similarly situated,	JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE		
19	Plaintiff,	SETTELIVE (TAND RELEASE		
20	v.			
21	ABM INDUSTRIES, INC.; ABM ONSITE	Judge: Hon. Yvonne Gonzalez Rogers		
22	SERVICES - WEST, INC.; ABM SERVICES, INC.; ABM JANITORIAL SERVICES -			
	NORTHERN CALIFORNIA, INC.; and			
23	ABM JANITORIAL SERVICES, INC.,			
24	Defendant.			
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Plaintiffs Marley Castro and Lucia Marmolejo ("Named Plaintiffs") and Defendants ABM Onsite Services – West, Inc.; ABM Services, Inc.; ABM Janitorial Services – Northern California; and ABM Janitorial Services – Southwest, Inc. (collectively, now known as ABM Industry Groups, LLC) ("Defendants" and together with Named Plaintiffs, "the Parties"), subject to the terms and conditions hereof and final approval by the Court, hereby enter into this Joint Stipulation of Class Action Settlement and Release ("Settlement Agreement"). This Settlement Agreement is intended to fully, finally, and forever compromise, release, resolve, discharge, and settle the released claims subject to the terms and conditions set forth in this settlement.

I. RECITALS

A. Background and Procedural History

- 1. Named Plaintiffs commenced the Class Action on October 24, 2014, by filing a class action complaint against Defendants in *Castro v. ABM Industries, Inc.*, Case No. RG14745764, in the Superior Court of California, County of Alameda. On May 25, 2017, the case was removed to the Northern District of California and assigned Case No. 4:17-cv-03026-YGR.
- 2. Named Plaintiffs allege that Defendants violated California Labor Code section 2802 when they allegedly did not reimburse Named Plaintiffs or other similarly situated non-exempt janitorial employees for their use of personal cell phones when (1) clocking in and out of work, and (2) communicating with leads and supervisors. Named Plaintiffs also assert derivative claims under the Unfair Competition Law, California Business & Professions Code section 17200, and the Labor Code Private Attorneys General Act of 2004 ("PAGA"), California Labor Code section 2698 et seq.
- 3. In October 2017, Named Plaintiffs moved for class certification, seeking to represent a class of "[a]ll employees who were, are, or will be employed by ABM in the State of California with the Employee Master Job Description Code Cleaner" ("Cleaners") beginning from October 24, 2010. Dkt. 31. On January 26, 2018, the Court certified three classes:
 - An "EPAY Class" of Cleaners "who used a personal cell phone to punch in and out of the EPAY system and who (a) worked at an ABM facility which did not contain biometric clock, and were (b) not offered an ABM-provided cell phone" from January 1, 2012, to present.

- A "Suspicious Incidents Class" of Cleaners "who used a personal cell phone to report unusual or suspicious circumstances to supervisors and were not offered an (a) ABM-provided cell phone[] or (b) two-way radio" from October 24, 2010 to present.
- A "Supervisor Communications Class" of Cleaners "who used a personal cell phone to respond to communications from supervisors and were not offered an (a) ABM-provided cell phone[] or (b) two-way radio" from October 24, 2010 to present.

Dkt. 49.

- 4. On March 20, 2018, Defendants moved to dismiss and to compel absent class members who were bound by one of three collective bargaining agreements ("CBAs") to arbitrate their non-PAGA claims against Defendants on an individual basis. Dkt. 58. Defendants argued that the claims of Cleaners bound by these CBAs should be excluded in their entirety, whether or not they arose before the effective date of the CBAs. *Id.* On May 14, 2018, the Court modified the class definitions to exclude union Cleaners' claims arising after the effective date of the CBAs. Dkt. 78. ABM appealed the Court's order on June 6, 2018 to the Ninth Circuit. Dkt. 80.
- 5. On October 15, 2018, the Parties participated in mediation with Mark Rudy and reached a class action settlement of this Class Action.

B. Parties' Statements and Recognition of the Benefits of the Settlement

6. Class Counsel has conducted extensive investigation into the facts of the Class Action, including depositions of two of ABM's 30(b)(6) witnesses and of a supervisor witness, defending the depositions of the Named Plaintiffs and of Plaintiffs' expert, discovery of relevant ABM e-mails and records, and other investigation undertaken by counsel for Plaintiffs. Class Counsel is aware of Defendants' practices and procedures concerning clocking in and out, reimbursement for business expenses, and Cleaners' communications with leads and supervisors. The Parties have engaged in extensive negotiations and exchange of data, documents, and information. This case has been vigorously litigated at all stages, and has resulted in the filing of several petitions for review in the Ninth Circuit, a petition for a writ of certiorari filed in the U.S. Supreme Court, and a pending appeal before the Ninth Circuit. Based on a thorough investigation and evaluation of this case, Class Counsel and Plaintiffs have concluded that the settlement with Defendants for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest

of the class in light of all known facts and circumstances, including the risk of significant delay, defenses asserted by Defendants, and potential appellate issues.

7. Defendants deny each and all of the claims that Plaintiffs allege in the Class Action. Defendants expressly deny any and all charges of wrongdoing or liability arising out of any of the acts, omissions, facts, matters, transactions, or occurrences alleged, or that could have been alleged, in the Class Action. Nevertheless, Defendants have taken into account the uncertainty and risks inherent in any litigation and have also concluded that further litigation of this action would be protracted and expensive. Defendants have therefore determined that it is desirable and beneficial that this action be settled in the manner and upon the terms and conditions set forth in the Settlement Agreement. Neither this Settlement Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Settlement Agreement, is, may be construed as, or may be used as an admission, concession, or indication by or against Defendants of any fault, wrongdoing, or liability whatsoever.

II. DEFINITIONS

- 8. "Administrative Costs" shall mean the estimated cost of administering the settlement process, including providing the Settlement Notice, various efforts to locate Settlement Class Members, and coordinating the payment of claims on behalf of the Settlement Class Members.
- 9. "Attorney's Fees and Costs" shall mean the amount to be paid to Class Counsel under the terms of this Settlement Agreement.
- 10. "Claims Administrator" shall mean RG/2 Claims Administration LLC, P.O. Box 59479, Philadelphia, PA 19102-9479, which is the entity that has been selected to provide notice of this proposed class action settlement to the Settlement Class Members and to perform other related functions to administer the settlement contemplated by this Settlement Agreement as described herein.
- 11. "Class Action" shall mean the civil action entitled MARLEY CASTRO and LUCIA MARMOLEJO, individually and on behalf of all similarly situated current and former employees, v. ABM Industries, Inc.; ABM Onsite Services West, Inc. (now known as ABM Industry Groups, LLC); ABM Services, Inc. (now known as ABM Industry Groups, LLC); ABM Janitorial Services Northern California (now known as ABM Industry Groups, LLC); and ABM Janitorial Services Southwest, Inc. (now known as ABM Industry Groups, LLC), Case No. 4:17-cv-03026-YGR.

- 12. "Class Counsel" shall mean the attorneys representing Plaintiffs in the Class Action: Hunter Pyle and Chad Saunders of Hunter Pyle Law, and Todd Jackson, Catha Worthman, and Genevieve Casey of Feinberg, Jackson, Worthman & Wasow.
- 13. "Class Period" shall mean October 24, 2010, to the date of the Order Granting Preliminary Approval, inclusive.
- 14. "Defense Counsel" shall mean the attorneys representing Defendants in the Class Action: Theodore J. Boutrous Jr., Theane Evangelis, Katherine V.A. Smith, and Bradley Hamburger of Gibson, Dunn & Crutcher LLP.
- 15. "Defendants" or "ABM" shall mean Defendants ABM Onsite Services West, Inc.; ABM Services, Inc.; ABM Janitorial Services Northern California; ABM Janitorial Services Southwest, Inc.; and ABM Industry Groups, LLC.
- 16. The "Effective Date" of this Settlement Agreement shall mean seven (7) calendar days after all of the following conditions have been satisfied:
 - a. Execution of this Settlement Agreement by all Parties, Class Counsel and Defense Counsel;
 - b. Submission of this Settlement Agreement to the Court, along with appropriate motions and requests for approval of this Settlement Agreement by the Court;
 - c. Preliminary Approval of the settlement by the Court;
 - d. Mailing of the Settlement Notice to the Settlement Class Members in accordance with the Court's Order of Preliminary Approval;
 - e. Expiration of the opt-out date as defined in the Settlement Notice;
 - f. Less than five percent (5%) of the number of individuals in the Settlement Class submit timely and valid requests to opt out (or if Defendants do not exercise their right to rescind and void the Settlement Agreement due to the number of opt out requests);
 - g. A Final Approval Hearing, Final Approval of the Settlement Agreement by the Court, and entry of a written final order by the Court approving this Settlement Agreement and entering final judgment with respect to the Class Action. Except

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that, in the event there are any objections to the Settlement Agreement made prior to or at the Fairness Approval Hearing, or an appeal of the Court's Final Approval of the Settlement Agreement is taken, then the Effective Date shall be the later of the following events: when the period for filing any appeal, writ or other appellate proceeding opposing the settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; or when any appeal, writ or other appellate proceeding opposing the settlement has been dismissed finally and conclusively with no right to pursue further remedies or relief; or when any appeal, writ or other appellate proceeding has upheld the Court's final order with no right to pursue further remedies or relief. The Parties intend that the Effective Date shall not occur until the Court's order approving the Settlement is completely final, and there is no further recourse by any individual who contests the Settlement or any rulings of the Court in connection with the Settlement.

- 17. Either settling Party may terminate this Settlement by giving written notice (through counsel) to the other Party no later than thirty (30) calendar days after receiving notice that one or the following has occurred: (1) the Court declines to enter Preliminary Approval, Final Approval, or final judgment in substantially the form submitted by the Parties; (2) the Settlement does not become final because of any appellate court action; or (3) the Court's Final Approval of the Settlement is reversed or materially modified on appellate review. Should the Settlement be terminated according to the foregoing provisions (or in accordance with paragraph 72), the Settlement will be null and void, with the following effects:
 - Defendants shall have no obligation to make any payments under this a. Settlement, except that if Defendants terminate the Settlement, Defendants will pay the Claims Administrator's reasonable fees and expenses incurred as of the date that the Settlement is terminated;

- b. If the Named Plaintiffs terminate the Settlement, Class Counsel will pay the Claims Administrator's reasonable fees and expenses incurred as of the date that the Settlement is terminated;
- c. The Order Granting Preliminary Approval, Order of Final Approval Order and any order of judgment shall be vacated;
- d. The Settlement and all negotiations, statements and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions in the Action prior to the Settlement; and
- e. Neither this Settlement nor any ancillary documents, actions, statements or filings in furtherance of settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in the Action or any other case or proceeding for any purpose whatsoever.
- 18. "Final Approval Hearing" means the hearing to be conducted by the Court, or any other court taking jurisdiction of this matter, to determine whether to grant Final Approval of the Settlement.
- 19. "Labor Code 2802 Subclass" or "Labor Code 2802 Subclass Members" shall mean all non-exempt hourly employees who worked as a Cleaner for Defendants in California for the period starting October 24, 2010, to the date of Preliminary Approval, except that for those Cleaners who are subject to a collective bargaining agreement ("CBA") which contains an operative arbitration clause, this Subclass shall exclude all claims arising under and after the effective date of the relevant CBA.
- 20. "Order of Final Approval" and "Final Approval" means an order that finally and unconditionally grants final approval of this Settlement Agreement, enters final judgment with respect to the Class Action, and authorizes payments to the Claims Administrator, the Settlement Class Members and Class Counsel as provided in this Settlement Agreement.
- 21. "Order Granting Preliminary Approval" and "Preliminary Approval" refers to the Court order or statement of decision granting preliminary approval to this Settlement Agreement.
- 22. "PAGA Subclass" or "PAGA Subclass Members" shall mean all non-exempt hourly employees who worked as a Cleaner for Defendants in California for the period starting November 4, 2013, to the date of Preliminary Approval.

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- 23. "Plaintiffs" shall mean any Cleaner employed by ABM from October 24, 2010 through the date of Preliminary Approval, including Named Plaintiffs.
- 24. "Released Parties" shall mean Defendants ABM Onsite Services - West, Inc.; ABM Services, Inc.; ABM Janitorial Services – Northern California; ABM Janitorial Services – Southwest, Inc.; and ABM Industry Groups, LLC, including their predecessors, successors, affiliates, subsidiaries, parent companies, partners, current and past employees, insurers, agents, consultants, legal representatives and any other related entities and all of their past, present and future officers, shareholders, owners, members, directors, partners, agents, managers, lawyers, employees, assigns, insurers, predecessors-in-interest, successors-in-interest, and underwriters.
- 25. "Service Award" shall mean a Court-approved sum to be paid to the Named Plaintiffs in accordance with Section III.B.
- 26. "Settlement Class" or "Settlement Class Members" shall mean all Labor Code 2802 Subclass Members and the PAGA Subclass Members, i.e., all Cleaners who worked for ABM from October 24, 2010 through the date of preliminary approval.
- 27. "Settlement Fund" refers to the gross settlement amount of five million and four hundred thousand dollars (\$5,400,000), which is the total and maximum amount Defendants will be required to pay under this settlement. The Settlement Fund will include the following elements: (i) payments to Settlement Class Members, as described herein; (ii) the payment of seventy-five percent (75%) of the PAGA Payment to the California Labor and Workforce Development Agency ("LWDA"); (iii) Service Awards to the Named Plaintiffs, as described herein; (iv) Class Counsel's Attorneys' Fees and Costs, as described herein; and (v) Administrative Costs, as described herein.
- 28. "PAGA Payment" means a total payment of \$440,000 out of the Settlement Fund. Seventy-five percent (75%) of this amount (or \$330,000) shall be paid to the LWDA, and twenty-five percent (25%) (or \$110,000) shall be distributed to the PAGA Subclass according to the formula in paragraph 46. "PAGA Employee Share" means the \$110,000 to be distributed to the PAGA Subclass.
- 29. "Settlement Notice" refers to the official notice of settlement of class action, attached hereto as Exhibit A.

III. TERMS OF SETTLEMENT AGREEMENT

30. IT IS HEREBY STIPULATED AND AGREED by and among the Named Plaintiffs (for themselves and the Settlement Class Members) and Defendants, by and through their respective attorneys, that, subject to the approval of the Court, the Class Action will be finally and fully compromised, released, resolved, discharged, and settled, and will be dismissed with prejudice as to Defendants, subject to the terms and conditions of this Settlement Agreement, as follows:

A. Settlement Fund

- 31. In consideration for settlement of the Class Action and the release of claims of the Settlement Class Members, Defendants agree to pay the sum of five million and four hundred thousand dollars (\$5,400,000) (the "Settlement Fund"). Any Administrative Costs, Attorney's Fees and Costs, payment to the LWDA under PAGA, and Service Awards for the Named Plaintiffs shall be deducted from the Settlement Fund. The Settlement Fund is the maximum total amount Defendants are required to pay for any and all purposes under this Settlement Agreement.
- 32. This is a non-reversionary settlement in which Defendants are required to pay the entire gross settlement amount, which includes the Net Settlement Proceeds, the Service Awards for the Named Plaintiffs, LWDA payment, Administrative Costs, and Attorney's Fees and Costs. No portion of the Settlement Fund will revert to Defendants.

B. Named Plaintiffs' Service Awards

33. In addition to the amounts determined to be due to the Named Plaintiffs as Settlement Class Members under this Settlement Agreement, Class Counsel and Plaintiffs intend to apply to the Court for Service Awards for Named Plaintiffs, in the total amount of no more than ten thousand dollars (\$10,000) per person. Plaintiffs intend to request an enhancement for the Named Plaintiffs' roles in prosecuting the Class Action, taking the risks of serving as the named representatives, providing factual information and documentation necessary to the prosecution of the Class Action, attending depositions, agreeing to a General Release of all claims, maintaining contact with Class Counsel, and other participation necessary to the successful prosecution of the Class Action. Any such motion shall be filed concurrently with Class Counsel's application for Attorneys' Fees and Costs. Any Service Award approved by the Court in conjunction with the Settlement shall be paid from the Settlement Fund and

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27 28 shall reduce the amount of the Settlement Fund payable to the Settlement Class Members. Defendants will not oppose a request up to \$10,000 per Named Plaintiff for a Service Award. The Service Awards will be reported to the IRS on a Form 1099.

- 34. In exchange for this Service Award, the Named Plaintiffs have agreed to a General Release as to any and all claims they might have against Defendants and the Released Parties, whether such claim is known or unknown, as provided for by Section IV.C.
- 35. In the event that the Court denies, modifies, or reduces any request for a Service Award, Named Plaintiffs, Class Counsel, and the Settlement Class Members may not seek to modify, revoke, cancel, terminate, or void this Settlement Agreement and will not seek, request, or demand an increase in the Settlement Amount.
- 36. By entering into this Settlement Agreement, Named Plaintiffs waive their right to appeal the Court's ruling on Plaintiffs' request for a Service Award for Named Plaintiffs.
- 37. Notwithstanding the above, the Named Plaintiffs shall receive payment of Service Awards only after the Effective Date has passed.

C. **Attorneys' Fees and Costs**

- 38. Class Counsel may request a reasonable award of attorneys' fees and costs from the Court which will compensate Class Counsel for fees and costs incurred for work already performed in this Action, the work remaining to be performed in documenting the Settlement Agreement, securing Court approval of the Settlement Agreement, administering the Settlement Agreement, obtaining dismissal of the Action with prejudice, and defending against any appeals, as well as all associated expenses. The amount awarded to Class Counsel shall be left to the discretion of the Court. Defendants will not oppose a reasonable request for attorneys' fees and costs.
- 39. Class Counsel will submit an application for Attorneys' Fees and Costs to the Court for approval prior to the date of the Final Fairness Hearing. The Parties agree that, over and above the total amount of court-approved Attorneys' Fees and Costs award in this Class Action, the Parties will bear their own fees and costs.
- 40. The Parties agree that Class Counsel shall be solely responsible for the division and distribution of any and all Court-approved Attorneys' Fees and Costs awarded in the Class Action to

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Class Counsel, and that Class Counsel agree to release Defendants and the Released Parties from any responsibility for or liability arising out of or related to the division and distribution of any Courtapproved Attorneys' Fees and Costs to Class Counsel.

- 41. In the event that the Court denies, modifies, or reduces Class Counsel's request for Attorneys' Fees and Costs, then Plaintiffs, Class Counsel, and the Settlement Class Members may not seek to modify, revoke, cancel, terminate, or void this Settlement Agreement and will not seek, request, or demand an increase in the Settlement Amount.
- 42. All claims for attorneys' fees or costs or expenses arising out of the Class Action that Class Counsel and Plaintiffs may possess against Defendants have been compromised and resolved in this Settlement Agreement.

Administrative Costs D.

43. The Administrative Costs associated with administering the settlement and claims process shall be deducted from the Settlement Fund. The Administrative Costs are estimated to be up to \$125,000. No fewer than ten (10) court days prior to the Final Approval Hearing, the Claims Administrator shall provide the Court and all counsel for the Parties with a statement detailing the Administrative Costs. The Parties agree to cooperate in the settlement administration process and to make all efforts to control and minimize the costs and expenses incurred in the administration of this Settlement.

Ε. No Effect on Benefits for Settlement Class Members

44. Plaintiffs agree, on behalf of all Settlement Class Members, that this Settlement Agreement and any payments under this Settlement Agreement shall not have any effect on the eligibility or calculation of employee benefits with respect to the Settlement Class Members. This Settlement Agreement does not represent any modification of any previously credited hours of service, income, or other eligibility criteria under any employee pension benefit plan, employee welfare benefit plan, or other program or policy.

F. Allocation

45. The "Net Settlement Proceeds" shall equal the Settlement Fund minus the total of (i) court-approved Attorneys' Fees and Costs; (ii) court-approved Service Awards to the Named

Plaintiffs; (iii) all fees, costs, and expenses of the Claims Administrator in connection with settlement administration services including, without limitation, those connected with providing notice to the Settlement Class Members and making settlement distributions to Settlement Class Members; and (iv) a payment to the LWDA of seventy-five percent (75%) of the total PAGA Payment.

- 46. The Net Settlement Proceeds shall be allocated such that each member of the Settlement Class who does not opt out receives a payment of at least \$20. The Labor Code 2802 Subclass Members who do not opt out will receive additional per member payments, as well as compensation for Qualifying Months, as defined below. The distributions shall be as follows:
 - a. For each member of the Labor Code 2802 Subclass who does not opt out:
 - i. A payment of \$56 per member; and
 - ii. An additional payment of approximately \$12¹ for each month in the Class Period in which a personal cell phone number associated with the member appears in either ABM-provided phone records or EPAY punch records produced by Defendants in this Class Action ("Qualifying Months");²
 - b. For each member of the PAGA Subclass who is not a Labor Code 2802 Subclass member and who does not opt out, a payment of \$20 will be allocated out of the PAGA Employee Share to each such member. The remainder of the PAGA Employee Share will be allocated pro rata to each additional member of the PAGA Subclass who does not opt out.

¹ The amount of the additional payment is an estimate because the exact amount depends upon the total numbers of Settlement Class Members (including the numbers in each Subclass); any additional ABM-provided phone records or EPAY punch records produced by Defendants in this Class Action; and any additional information submitted by Settlement Class Members in response to the Notice of Settlement (such as additional cell phone numbers they used during the Class Period).

² By agreeing to this method of allocation, Defendants do not admit or concede that the fact that a personal cell phone number associated with an employee appears in its records means that the employee was required to use his or her personal cell phone or that any such personal cell phone usage was subject to reimbursement under California Labor Code section 2802. In addition, Defendants will not be responsible for any costs associated with the determination of Qualifying Months, other than the costs associated with obtaining and producing additional records pursuant to paragraph 59 of this Agreement.

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47. Each Settlement Class Member's "Individual Settlement Award" shall equal the sum of the individual's allocated payments pursuant to the formula set forth in paragraph 46.

48. The Claims Administrator will pay Individual Settlement Awards to all Settlement Class Members on a confidential basis and issue IRS tax forms. Each Settlement Class Member's Individual Settlement Award will be reported to the IRS on a Form 1099.

IV. CLAIMS RELEASED BY SETTLEMENT AGREEMENT

A. Claims Released by Labor Code 2802 Subclass

49. In exchange for the payments by Defendants as described herein, upon the Effective Date of this Settlement Agreement, and except as to such rights or claims as may be created by this Settlement Agreement, the Labor Code 2802 Subclass and each member of that Subclass who does not opt out, including the Named Plaintiffs (who shall not opt out), their heirs, assigns, and estates, jointly, severally, shall, and hereby do fully release and discharge Defendants and Released Parties from any and all claims, debts, liabilities, demands, obligations, guarantees, penalties, costs, expenses, attorneys' fees, damages, liquidated damages, action or causes of action whatever kind in nature, whether known or unknown, contingent or accrued, arising out of the dispute which is the subject of the Class Action or which are asserted or could have been asserted in the Class Action based on the allegations in the pleadings or Plaintiffs' PAGA letter regarding the events that occurred or alleged to have occurred, whether in contract, based on putative violations of any federal, state, or local statute, rule or regulation pertaining to unreimbursed business expenses for the business-related use of personal cell phones or unfair business practices based on the foregoing during the Class Period ("Labor Code 2802 Released Claims"). The Labor Code 2802 Released Claims do not include any workers' compensation claims, claims for physical bodily harm, discrimination claims, claims for benefits arising under the Employee Retirement Income Security Act ("ERISA"), claims that arise in the future, or any other claims not directly related to the unreimbursed business expenses for the business-related use of personal cell phones or unfair business practices based on the foregoing. The Labor Code 2802 Released Claims do not include any claims excluded from the Labor Code 2802 Subclass in paragraph 19.

B. Claims Released by the PAGA Subclass

50. In exchange for the payments by Defendants as described herein, upon the Effective Date of this Settlement Agreement, and except as to such rights or claims as may be created by this Settlement Agreement, the PAGA Subclass and each member of that Subclass who does not opt out, including the Named Plaintiffs (who shall not opt out), their heirs, assigns, and estates, jointly, severally, shall, and hereby do fully release and discharge Defendants and Released Parties from any and all PAGA claims which are asserted or could have been asserted in this Class Action based on the allegations in the pleadings or Plaintiffs' PAGA letter regarding the events that occurred or are alleged to have occurred, whether in contract, based on putative violations of any federal, state, or local statute, rule, or regulation, pertaining to unreimbursed business expenses for the business-related use of personal cell phones or unfair business practices based on the foregoing from November 4, 2013 through the date of Preliminary Approval ("PAGA Released Claims").

Claims Released by Named Plaintiffs

- 51. Following the Effective Date and upon distribution by Defendants of Named Plaintiffs' Individual Settlement Awards and Service Award payments pursuant to paragraph 33 (if such an award is granted by the Court), Named Plaintiffs fully and finally release Defendants and Released Parties from any and all claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including but not limited to, all claims arising from or related to their employment with Defendants and their compensation and wage statements while an employee of Defendants.
- 52. Named Plaintiffs hereby agree that, notwithstanding section 1542 of the California Civil Code, all claims that Named Plaintiffs may have, known or unknown, suspected or unsuspected, in the Action and any claims arising out of or related to the Action are hereby released. Section 1542 provides:

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

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Named Plaintiffs expressly waive the provisions of section 1542 of the California Civil Code with full

knowledge and with the specific intent to release all known or unknown, suspected or unsuspected

claims arising on or before the date of the final approval of the Settlement, and therefore specifically

waive the provisions of any statute, rule, decision or other source of law of the United States or of any

state of the United States or any subdivision of a state which prevents release of unknown claims.

Provided however, that Named Plaintiffs do not release their rights to any claims for earned benefits

under the terms of any employee benefit plan applicable to them, claims to enforce rights provided by

this Settlement Agreement, claims that arise after the execution of this Settlement Agreement, and

D. Binding Releases

claims that cannot be released as a matter of law.

53. The Releases in this Settlement Agreement shall be binding on all non-opt-out members of the Settlement Class, as of the date their Individual Settlement Awards are mailed. This Settlement Agreement shall constitute, and may be pleaded as, a complete and total defense to any Labor 2802 Subclass Released Claims and PAGA Subclass Released Claims if raised in the future by non-opt-out members of the Settlement Class.

V. SCHEDULE FOR APPROVAL OF SETTLEMENT AGREEMENT

54. Plaintiffs and Defendants stipulate and agree to the following schedule and procedures for obtaining the Court's approval of the settlement, including notifying the Settlement Class Members and processing all benefits provided under this Settlement Agreement:

A. Seeking Preliminary Approval of Settlement Agreement

55. Upon the execution of this Settlement Agreement, Plaintiffs will move the Court for (a) preliminary approval of the terms of this Settlement Agreement, (b) certification of a Settlement Class, for settlement purposes only, which shall include (i) the Labor Code 2802 Subclass, and (ii) the PAGA Subclass; (c) approval of the Settlement Notice and settlement notice procedure, and (d) the scheduling of a settlement fairness hearing on the question of whether the terms of this Settlement Agreement should be finally approved as fair, reasonable, and adequate as to the Named Plaintiffs and the Settlement Class Members (collectively, "Motion for Preliminary Approval"). As a part of this motion, Plaintiffs will submit a copy of this Settlement Agreement. Defendants' stipulation to the

certification of the Settlement Class, the Labor Code 2802 Subclass and PAGA Subclass for settlement purposes shall not be construed as an admission or acknowledgement of wrongdoing of any kind, or that any litigation class should be certified or given collective or representative action treatment.

- 56. Class Counsel shall provide Defendants with a reasonable opportunity to review, and provide comments to the Motion for Preliminary Approval, before the motion and supporting papers are filed with the Court. Defendant shall not oppose the Motion for Preliminary Approval filed by Class Counsel pursuant to this Settlement Agreement, so long as the motion and supporting papers are consistent with the terms of this Settlement Agreement.
- 57. Within ten (10) days after the filing of the Motion for Preliminary Approval, Defendants shall comply with the "Notification of Settlement" requirements of the Class Action Fairness Act (28 U.S.C. § 1715). Defendant shall provide Class Counsel with a copy of the notices provided to the appropriate state officials, as defined under 28 U.S.C. § 1715. Prior to the date set for the preliminary approval hearing, Defendants shall file a proof of service with the Court indicating compliance with 28 U.S.C. § 1715.

B. Providing Class Data to Claims Administrator and Class Counsel

- 58. Within sixty (60) calendar days of the Order Granting Preliminary Approval, Defendants agree to provide to the Claims Administrator a "class list" with the following information for each Class Member: (a) name; (b) last-known address and phone number(s); (c) social security number; (d) work site(s) where he or she was employed by Defendants during the Class Period and relevant dates; and (e) identification of whether the Class Member is eligible to participate in the Labor Code 2802 Subclass (and if so, for what dates and work sites, including data sufficient for Class Counsel to verify this information). The above-described information will be provided to Claims Administrator on a confidential basis, and the Claims Administrator agrees to use this information only for purposes of verifying the accuracy of the information. The Claims Administrator agrees not to use the information for any purpose other than the administration of the settlement of the Class Action, and agrees not to disclose the information to any third party.
- 59. Within sixty (60) calendar days of the Order Granting Preliminary Approval, Defendants will produce to Class Counsel (i) a "class list" with the following information for each

Class Member: (a) name; (b) last-known address and phone number(s); (c) work site(s) where he or she was employed by Defendants during the Class Period and relevant dates; and (d) identification of whether the Class Member is eligible to participate in the Labor Code 2802 Subclass (and if so, for what dates and work sites, including data sufficient for Class Counsel to verify this information); and (ii) to the extent they have not already been produced by Defendants to Class Counsel, any additional ABM-provided phone records and EPAY punch records through the end of the Class Period relevant to the determination of Qualifying Months as set forth in paragraph 46. With respect to the records described in (ii), Defendants will take the following steps to ensure their timely production: (a) request within two business days of the Order Granting Preliminary Approval via e-mail and telephone that its third-party vendors provide the additional records described in (ii), (b) explain to these third-party vendors that these records are needed to comply with a court-supervised settlement, and (c) follow-up with the third-party vendors on at least a weekly basis until the additional records described in (ii) are provided. If some or all of the records described in (ii) are not yet available as of the deadline for production, the Parties will confer over the issue and seek Court guidance if necessary.

C. Settlement Notice

- 60. If the Court grants Preliminary Approval of the settlement terms described in this Settlement Agreement, a Settlement Notice shall be provided to the Settlement Class Members as follows:
 - a. Twenty-one (21) calendar days after Defendants provide to the Claims Administrator the data referenced in Paragraph 58, the Claims Administrator shall send a Settlement Notice to all Settlement Class Members by first-class U.S. Mail, postage prepaid and supplement with e-mail notice, if feasible. In order to provide the best notice practicable, any Settlement Notice returned as undelivered shall be sent to the forwarding address affixed thereto, if any. If no forwarding address is provided for a Settlement Notice that is returned as undelivered, the Claims Administrator will use reasonable methods to locate a current address, including a skip trace. If no current address is located, the Settlement Notice for that individual will be deemed undeliverable. If the

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procedures herein are followed, Defendants, Class Counsel, and the Claims Administrator shall be deemed to have satisfied their obligation to provide the Settlement Notice to the Settlement Class Members. A copy of the proposed Settlement Notice is attached hereto as Exhibit A.

- b. The Settlement Notice shall, at a minimum, include the following: identification of whether the Settlement Class Member is part of the Labor Code 2802 Subclass and/or is part of the PAGA Subclass; for Labor Code 2802 Subclass Members, the number of Qualifying Months; the estimated amount of the Individual Settlement Award the Settlement Class Member can expect to receive; the contact information for Class Counsel and Defense Counsel; the address for a website maintained by the Claims Administrator; instructions on how to access the case docket via PACER or in person at any of the Court's locations; the date of the Final Approval Hearing; information informing Settlement Class Members of their right to opt out of the Settlement; a statement that the Settlement Agreement may have preclusive effect and participation in the Settlement shall result in a release of Labor Code 2802 Released Claims and/or the PAGA Released Claims; and notification that Settlement Class Members are solely responsible for determining the tax consequences of payments made pursuant to this Settlement Agreement.
- c. The Settlement Notice shall inform Settlement Class Members of their right to opt out of the Settlement, and to be excluded from receiving any of the benefits related to the Settlement under the Settlement Agreement by completing and mailing a written opt-out request to the Claims Administrator no later than sixty (60) calendar days after the postmark date of the Settlement Notice. Any persons who submit a timely and valid request for exclusion will not be bound by the terms of the Settlement Agreement, and will not have any right to object, appeal, or comment thereon. Late-submitted opt-out requests will not be accepted by the Claims Administrator and shall not be effective. The Claims Administrator

- will certify jointly to Class Counsel and Defense Counsel which requests for exclusion were valid and timely submitted.
- d. If a Settlement Class Member disagrees with the number of Qualifying Months, the member must complete and send a notice of dispute using a unique webbased form on the website maintained by the Claims Administrator, or by sending a letter to the Claims Administrator, together with any supporting written documentation. To be considered, the notice of dispute and supporting written documentation must be received by the Claims Administrator no later than thirty (30) calendar days after the postmark date of the Settlement Notice.
- e. The Claims Administrator shall immediately notify both Class Counsel and Defense Counsel of any disputes submitted by Settlement Class Members. The Claims Administrator shall share with both Class Counsel and Defense Counsel the notice of dispute and any documentation submitted by a Settlement Class Member in support of his or her dispute. Class Counsel shall make the final determination regarding the dispute within ten (10) calendar days of receipt of the notice of dispute and supporting written documentation, or no later than forty (40) calendar days after the postmark date of the Settlement Notice. The Claims Administrator shall inform each Settlement Class Member of the final determination by a telephone call, followed by an e-mail or regular U.S. Mail if no e-mail for that Settlement Class Member is available.
- f. The Claims Administrator shall create and maintain a website, which will include links to the Class Notice, Motions for Preliminary and Final Approval and Motion for Attorney's Fees as they become available, until the Effective Date. The website shall also include links to any other documents or information the Claims Administrator deems necessary to perform its duties. The Motion for Attorney's Fees and any related filings shall be available on the website for a reasonable period of time of no less than thirty-five (35) calendar days prior to the deadline for class members to file an objection to the Settlement Agreement.

- g. At least twenty-one (21) calendar days before the Final Fairness Hearing, the Claims Administrator shall prepare and provide a declaration of due diligence and proof of mailing with regard to the mailing of the Settlement Notice, and any attempts by the Claims Administrator to locate the Settlement Class Members ("Due Diligence Declaration"), to Class Counsel and Defense Counsel for presentation to the Court. The Claims Administrator will attach to the Due Diligence Declaration a report showing the name of each individual who submitted a timely and valid opt-out. Class Counsel shall be responsible for filing the Due Diligence Declaration with the Court.
- h. If at any point the Claims Administrator determines that it needs additional time, the Claims Administrator shall inform the Parties, and the Parties will seek from the Court a modification of the schedules contained in this Settlement Agreement or any Court Order, to be consistent with the recommendations and requests of the Claims Administrator. However, the Claims Administrator shall not make a request for a time modification if the need for additional time is a result of any party failing to provide information as required in this Settlement Agreement on a timely basis. If a Party fails to provide required information according to this schedule, any other Party reserves the right to seek the Court's intervention to ensure compliance with the agreed terms of this Settlement Agreement.

D. Objections to Settlement Agreement after Preliminary Approval

- Agreement must submit a written objection, along with any supporting documents, to the Court, no later than sixty (60) calendar days after the postmark date of the Settlement Notice by mailing it to or filing it in person with the Court. The written objection must set forth the basis for the objection.
- 62. Settlement Class Members who fail to make objections in the manner specified in Paragraphs 61-63 shall be deemed to have waived any and all objections and shall be foreclosed from making any objection, whether by appeal or otherwise, to this Settlement Agreement.

- 63. Settlement Class Members who timely submit a written objection have the option to appear at the Final Approval Hearing, either in person or through their own counsel. To appear, Settlement Class Members must include in their written objection a statement that they intend to appear at the Final Approval Hearing or otherwise receive permission of the Court. The written objection must include copies of any papers, exhibits, or other evidence that the objecting Settlement Class Member will present to the Court in connection with the Final Approval Hearing.
- 64. The filing of an objection allows Class Counsel or Defense Counsel, upon reasonable notice, to take the deposition of the objecting Settlement Class Member, and to seek any documentary evidence or other tangible things that are relevant to the objection. Failure by the Settlement Class Member to make himself or herself available for a deposition or comply with expedited discovery requests may result in the Court striking the Settlement Class Member's objection and otherwise denying him or her the opportunity to make an objection or be further heard.

E. Duties of the Parties in Connection with Final Court Approval

65. In connection with final approval by the Court of this Settlement Agreement, Class Counsel will submit a proposed Judgment and a proposed Order Granting Final Approval of Class Action Settlement: approving the settlement, adjudicating the terms thereof to be fair, reasonable, and adequate, and directing consummation of all terms and provisions as provided in this Settlement Agreement.

F. Timing and Manner of Payments

- 66. Defendants shall execute an election statement provided by the Claims Administrator which shall be affixed to the initial tax return of the Qualified Settlement Fund in order to establish the start date of the Qualified Settlement Fund. The gross settlement amount shall thereafter be administered and distributed as set forth in this Settlement Agreement. All interest with respect to the gross settlement amount shall accrue to the benefit of the Settlement Class Members.
- 67. Within fourteen (14) calendar days of the Effective Date, Defendants will wire the Settlement Fund of five million and four hundred thousand dollars (\$5,400,000) to fund the Settlement to the Administrator, which shall be deposited by the Administrator into a Qualified Settlement Fund

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27 28 pursuant to Internal Revenue Code §1.468B-1. These funds shall be under the exclusive control of the Administrator, and shall be used solely for the purpose of fulfilling the terms of the Agreement.

- 68. Within five (5) calendar days after the funding of the Settlement Fund as set forth in Paragraph 67, the Claims Administrator shall make payment to Class Counsel from the Settlement Fund of the Attorneys' Fees and Costs consisting of the total court-approved attorneys' fees, as well as the total court-approved litigation costs accrued as of the date of the Final Approval Hearing.
- 69. The Claims Administrator shall take all reasonable efforts to make payments from the Settlement Fund within twenty-one (21) days after the Effective Date. The Administrator will send individual checks by regular U.S. Mail to the address provided to the Claims Administrator for mailing of the Settlement Notice. Each Settlement Class Member who is entitled to a payment under this Settlement Agreement will receive a single check for the total of his or her settlement payment.
- 70. Checks sent to Settlement Class Members under this Settlement Agreement shall remain valid and negotiable for 180 calendar days from the date of their mailing, and thereafter may be automatically canceled if not cashed by the payee within that time. During this 180-day period, the Administrator will coordinate with Class Counsel regarding attempts to locate Class Members whose checks are returned or uncashed; any checks that are re-issued will have an expiration date 180 days following the re-issuing of the checks. After the expiration of all re-issued settlement checks, any funds remaining in the Qualified Settlement Fund (less any remaining Administrative Costs) will be distributed to cy pres beneficiaries as follows: 50% of the funds to Centro Legal de la Raza and 50% of the funds to the Wage Justice Center. No person shall have any claim against Defendants, Released Parties, Defense Counsel, the Named Plaintiffs, any Settlement Class Member, Class Counsel, or the Claims Administrator based on distributions and payments made in accordance with this Settlement Agreement.

VI. **OTHER PROVISIONS**

Defendants' Representations Regarding Policy Changes Related to Personal Cell Phones

71. ABM intends to modify its existing written policies to expressly confirm that ABM service workers, including Cleaners, are not required to use personal cell phones for work purposes. ABM will take reasonable steps to notify ABM service workers, including Cleaners, of this modification of its written policies. To the extent that ABM in the future changes its policies relating to personal cell phone usage, ABM will take reasonable steps to notify ABM service workers, including Cleaners, of any such changes.

B. Voiding the Settlement Agreement

72. If five percent (5%) or more of the number of individuals in the Settlement Class submit timely and valid requests for exclusion from the Settlement pursuant to the terms and procedures of the Settlement Notice, this entire Settlement Agreement shall become voidable and unenforceable as to Plaintiffs and Defendants, at Defendants' sole discretion. Defendants may exercise such option by giving notice, in writing, to Class Counsel and to the Court at any time prior to Final Approval of this Settlement Agreement by the Court.

C. Notices

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73. Except for Settlement Class Member notices, which are required herein to be made to or by the Claims Administrator, all notices, requests, demands and other communications related to or in connection with this Settlement Agreement shall be in writing, and shall be provided by appropriate method depending on the urgency (e.g., personal delivery, facsimile, overnight delivery, or first-class U.S. mail) to:

TO THE SETTLING CLASS:

Hunter Pyle Chad Saunders HUNTER PYLE LAW 428 Thirteenth Street, 11th Floor Oakland, CA 94612 Telephone: 510.444.4400 Facsimile: 510.444.4410

Todd Jackson Catha Worthman Genevieve Casey FEINBERG, JACKSON, WORTHMAN & WASOW 2030 Addison, Suite 500

Berkeley, CA 94704
Telephone: 510.269.7998
Facsimile: 510.269.7994

TO DEFENDANTS:

Theodore J. Boutrous Jr.
Theane Evangelis
Katherine V.A. Smith
Bradley J. Hamburger
GIBSON, DUNN & CRUTCHER LLP
333 South Grand Avenue
Los Angeles, CA 90071-3197
Telephone: 213.229.7000
Facsimile: 213.229.7520

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D. Mutual and Full Cooperation

- 74. Plaintiffs, Defendants, Class Counsel, and Defense Counsel agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement and its approval by the Court, including, but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms herein. The parties agree to use their best efforts, including all efforts contemplated by this Settlement Agreement, and any other efforts that may become necessary by Order of the Court, or otherwise, to effectuate this Settlement Agreement.
- 75. The Parties agree that they will not attempt to encourage Settlement Class Members to object to the proposed settlement or to opt out. Plaintiffs and Class Counsel will make every reasonable effort to accurately explain the benefits of this Settlement Agreement in response to any questions from any Settlement Class Members.

E. No Admission of Liability

76. Nothing herein shall constitute any admission by Defendants of wrongdoing or liability or of the truth of any factual allegations in the Class Action. Nothing herein shall constitute an admission by Defendants that the Class Action was properly brought as a class or representative action other than for settlement purposes. To the contrary, Defendants have denied and continue to deny each and every material factual, procedural, and/or legal allegation and alleged claim asserted in the Class Action. To this end, the settlement of the Action, the negotiation and execution of this Settlement Agreement, and all acts performed or documents executed pursuant to or in furtherance of this Settlement Agreement or the settlement are not, shall not be deemed to be, and may not be used as, an admission or evidence of any wrongdoing or liability on the part of Defendants, or any of them, or of the truth of any of the factual allegations in the operative complaints, and are not, shall not be deemed to be, and may not be used as, an admission or evidence of any fault or omission on the part of Defendants, or any of them, in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal.

F. Binding Nature of Settlement Agreement

77. This Settlement Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Released Parties. The Named Plaintiffs represent, covenant, and warrant

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that they have not, directly or indirectly, assigned, transferred, or encumbered any claim, demand, action, cause of action, or rights released in the Labor Code 2802 Released Claims and PAGA Released Claims in this Settlement Agreement.

- 78. This Settlement Agreement may be amended or modified only by a written instrument signed by Class Counsel and the Named Plaintiffs, as well as Defense Counsel and Defendants. No rights under this Settlement Agreement may be waived except in writing.
- 79. This Settlement Agreement and any attached exhibits constitute the entire Settlement Agreement between the Named Plaintiffs, Settlement Class Members, and Defendants relating to the terms contained herein. All prior or contemporaneous settlement agreements, understandings, and statements, whether oral or written, whether express or implied, and whether by a Party or its counsel, are merged herein. No oral or written representations, warranties, or inducements have been made to any Party concerning this Settlement Agreement or its exhibits other than the representations, warranties, and covenants contained and memorialized in such documents.
- 80. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any of its provisions. Each term of this Settlement Agreement is intended to be contractual and not merely a recital.

G. **Dispute Resolution**

Except as authorized herein, all disputes concerning the interpretation, implementation, 81. calculation, or payment of the Settlement Amount or other disputes regarding compliance with this Settlement Agreement will be resolved by the Court.

H. **Restriction on Publicity**

- 82. Class Counsel agree to no affirmative press, which shall include without limitation no press release and no soliciting the media regarding this case or settlement.
- 83. Class Counsel shall maintain any references on their website and social media related to this case as it currently reads until the time of Preliminary Approval, at which point Class Counsel may update to include information about the Settlement.

I. Governing Law and Joint Drafting of Settlement Documents

- 84. All terms of this Settlement Agreement and related documents shall be governed by and interpreted according to the laws of the State of California, without respect to choice of law provisions of any state.
- 85. Class Counsel and Defense Counsel have arrived at this Settlement Agreement as a result of a series of arm's-length negotiations, taking into account all relevant factors, present and potential.
- 86. This Settlement Agreement has been drafted jointly by Class Counsel and Defense Counsel and, therefore, in any construction or interpretation of this Settlement Agreement, the same shall not be construed against any of the Parties.
- 87. The Named Plaintiffs and Class Counsel agree that none of the documents provided to them by Defendants shall be used for any purpose other than the prosecution and settlement of the Class Action. Specifically, none of the documents provided shall be used to pursue any subsequent claims or litigation against Defendants or the Released Parties.

J. Counterparts

88. This Settlement Agreement may be executed in one or more counterparts, which may be filed with the Court. All executed counterparts, and each of them, shall be deemed to be one and the same instrument. Once available, a complete set of executed counterparts shall be filed with the Court. All executed copies of this Settlement Agreement and photocopies thereof (including facsimile and/or e-mailed copies of the signature pages) shall have the same force and effect and shall be as legally binding and enforceable as the original.

K. Execution of Settlement Agreement

89. This Settlement Agreement may be executed in one or more counterparts and by scanned copies or facsimile. All executed copies of this Settlement Agreement and photocopies thereof shall have the same force and effect and shall be as legally binding and enforceable as the original.

L. Parties' Authority

90. The signatories hereto represent that they are fully authorized to enter into this Settlement Agreement and are fully authorized to bind the Named Plaintiffs, Settlement Class Members, and Defendants to all terms stated herein.

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1	Dated: 14 19	HUNTER PYLE LAW
2		FEINBERG, JACKSON, WORTHMAN &
3	4	WASOW II \ To
4		By:
5		Hunter Pyle
6	*	Attorneys for Plaintiff and the Class
7	Dated;	GIBSON, DUNN & CRUTCHER LLP
8	×	By:
10		Theane Evangelis
11		Attorneys for Defendants
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1 2	Dated: 110412019	PLAINTIFF MARLEY CASTRO
3		By: Marky Castro
4		Marley Castro
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6	Dated: 1-4-2019	PLAINTIFF LUCIA MARMOLEJO
7		By: Lucia Marmolejo
9	1 10 010	**
10	Dated: 13/2017	DEFENDANTS ABM ONSITE SERVICES – WEST, INC.; ABM SERVICES, INC.; ABM
11		JANITORIAL SERVICES – NORTHERN CALIFORNIA; AND ABM JANITORIAL
12		SERVICES – SOUTHWEST, INC. (COLLECTIVELY, NOW KNOWN AS ABM INDUSTRY GROUPS, LLC)
14		2/11/11/20
15		By: Miranda Tolar, Vice President and & Deputy
16		General Counsel of ABM Industries Incorporated
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