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6 San Francisco, California 94102-5408
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7 E-Mail: ian.eliasoph@sfcityatty.org

8 Attorneys for Plaintiffs
9 PEOPLE OF THE STATE OF CALIFORNIA and
CITY AND COUNTY OF SAN FRANCISCO

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA

12 COUNTY OF SAN FRANCISCO

13 UNLIMITED JURISDICTION

14 The PEOPLE OF THE STATE OF
CALIFORNIA, by and through David Chiu,
15 City Attorney for the City and County of San
Francisco; and the CITY AND COUNTY OF
16 SAN FRANCISCO, a Municipal Corporation

17 Plaintiffs,

18 vs.

19 QWICK, INC., a Delaware Corporation; and
DOE ONE through DOE TWENTY

20 Defendants.
21

Case No. CGC-23-608756

[Assigned to Hon. Ethan P. Schulman for all purposes]

STIPULATION FOR ENTRY OF FINAL JUDGMENT

Date Action Filed: August 31, 2023
Trial Date: Not set

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25 Plaintiffs, the People of the State of California, acting by and through San Francisco City
26 Attorney David Chiu (the “People”) and the City and County of San Francisco, a municipal
27 corporation (“City”) (collectively, “Plaintiffs”) by Ian Eliasoph, Deputy City Attorney and Matthew
28 Goldberg, Chief Worker Protection Attorney, and Defendant Qwick, Inc. (“Qwick”), appearing

1 through Defendant’s attorney, Keith Jacoby, Sophia B. Collins, Sarah Boxer, of Littler Mendelson
2 (collectively, “The Parties”) stipulate as follows:

3 1. The Court has jurisdiction over the subject matter of this Stipulation for Entry of Final
4 Judgment (“Stipulation”), and venue is proper in this Court.

5 2. The Parties stipulate to and request that the Court enter the proposed Final Judgment
6 (“Judgment”), a true and correct copy of which is attached to this Stipulation as Exhibit 1.

7 3. The Parties have agreed to resolve the allegations contained in the City’s complaint by
8 consenting to this Court’s entry of the Judgment. Plaintiffs may file and submit this Stipulation in the
9 above-captioned proceedings, and the Parties waive any notice, hearing, or any right to appear before
10 the Court prior to its entry of the Judgment.

11 4. The Parties have stipulated and consented to the entry of the Judgment without the
12 taking of proof and without trial or adjudication of any fact or law herein, without the Judgment
13 constituting evidence, a finding, or an adjudication or, or an admission by Defendant regarding any
14 claim or issue of law or fact alleged in the Complaint on file herein, and without Defendant admitting
15 any liability regarding allegations of violations that occurred or allegedly occurred prior to the entry of
16 Judgment.

17 5. The Parties also waive their right to move for a new trial or otherwise seek to set aside
18 the Judgment through any collateral attack, and further waive their right to appeal from the Judgment,
19 except that Plaintiff and Defendant each agrees that the court shall retain jurisdiction for the purposes
20 specified in the Judgment.

21 6. Qwick will accept notice of entry of judgment entered in this action by electronic
22 delivery of such notice to its counsel of record, and agrees that service of notice of entry of judgment
23 will be deemed personal service upon it for all purposes.

24 7. The individuals signing below represent that they have been authorized by the Parties
25 they represent to sign this Stipulation.

26 8. The terms of this Stipulation shall be governed by the laws of the State of California.

27 ///

28 ///

1 9. This Stipulation may be executed in counterparts, and a facsimile or .pdf signature shall
2 be deemed to be, and shall have the same force and effect as, an original signature.

3
4 SO STIPULATED:

5
6 Dated: February 21, 2024


7 DAVID CHIU
8 City Attorney
9 YVONNE R. MERÉ
10 Chief Deputy City Attorney
11 MATTHEW D. GOLDBERG
12 Chief Worker Protection Attorney
13 IAN H. ELIASOPH
14 Deputy City Attorney

15
16 By: 
17 IAN H. ELIASOPH

18 Attorneys for Plaintiffs
19 PEOPLE OF THE STATE OF CALIFORNIA, acting by
20 and through San Francisco City Attorney DAVID CHIU,
21 and CITY AND COUNTY OF SAN FRANCISCO

22 Dated: February 20, 2024

23 LITTLER MENDELSON

24
25 By: 
26 KEITH JACOBY
27 SOPHIA B. COLLINS
28 TONY ZHAO
 MICHELLE CLARK
 SARAH BOXER

 Attorneys for Defendant QWICK, INC.

EXHIBIT 1

1 DAVID CHIU, State Bar #189542
City Attorney
2 YVONNE R. MERÉ, State Bar #173594
Chief Deputy City Attorney
3 MATTHEW D. GOLDBERG, State Bar #240776
Chief Worker Protection Attorney
4 IAN H. ELIASOPH, State Bar #227557
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7 E-Mail: ian.eliasoph@sfcityatty.org

8 Attorneys for Plaintiffs
9 PEOPLE OF THE STATE OF CALIFORNIA and
CITY AND COUNTY OF SAN FRANCISCO

10
11 SUPERIOR COURT OF THE STATE OF CALIFORNIA

12 COUNTY OF SAN FRANCISCO

13 UNLIMITED JURISDICTION

14 The PEOPLE OF THE STATE OF
CALIFORNIA, by and through David Chiu,
15 City Attorney for the City and County of San
Francisco; and the CITY AND COUNTY OF
16 SAN FRANCISCO, a Municipal Corporation

17 Plaintiffs,

18 vs.

19 QWICK, INC., a Delaware Corporation; and
DOE ONE through DOE TWENTY

20 Defendants.
21

Case No. CGC-23-608756
[Assigned to Hon. Ethan P. Schulman for all
purposes]

**[PROPOSED] FINAL JUDGMENT AND
INJUNCTION**

Date Action Filed: August 31, 2023
Trial Date: None set.

22
23 The People of the State of California, by and through David Chiu, City Attorney for the City
24 and County of San Francisco and City and County of San Francisco, a Municipal Corporation, by Ian
25 Eliasoph, Deputy City Attorney, and Matthew Goldberg, Chief Worker Protection Attorney, and
26 Defendant Qwick, Inc., a Delaware Corporation, appearing through Defendant's attorneys, Keith
27 Jacoby, Sophia B. Collins, Sarah Boxer, of Littler Mendelson, having stipulated to entry of this
28

1 Stipulated Final Judgment and Permanent Injunction (“Final Judgment”) without the taking of proof
2 and without this Final Judgment constituting evidence of, or an admission by any party regarding, any
3 issue of law or fact alleged in the Complaint; all parties having waived the right to appeal; and the
4 Court having considered the pleadings and good cause appearing:

5 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

6 **I. DEFINITIONS**

7 The following terms in this Final Judgment shall have these meanings:

- 8 1. ACTION refers to the civil action entitled *The People of the State of California et al. v.*
9 *Qwick, Inc.*, San Francisco Super. Ct. No. CGC-23-608756.
- 10 2. PARTIES refers to the PLAINTIFFS and DEFENDANT in the ACTION collectively.
- 11 3. PLAINTIFFS refers to, collectively and individually, (1) Plaintiff People of the State of
12 California by and through David Chiu, City Attorney for the City and County of San Francisco
13 (“People”) and (2) the City and County of San Francisco (“City”).
- 14 4. DEFENDANT and QWICK refer to Defendant Qwick, Inc., Defendant Does one
15 through twenty, and to QWICK’s subsidiaries, predecessors in interest or entities to whose liabilities
16 QWICK has succeeded. For purposes of effectuating the injunctive relief set forth in this Final
17 Judgment, DEFENDANT and QWICK also refer to anyone authorized by QWICK to act on
18 QWICK’s behalf, including but not limited to QWICK’s principals, parents, owners, subsidiaries,
19 officers, assigns, representatives, agents, employees, and accountants.
- 20 5. HOSPITALITY WORKERS refers to all individuals who have performed on-demand
21 staffing services of any kind for QWICK in California on or after August 31, 2019.
- 22 6. AFFECTED WORKERS refers to HOSPITALITY WORKERS that shall be eligible to
23 receive RESTITUTION under this Final Judgment.
- 24 7. FULLY CONVERTED EMPLOYEES refers to workers meeting each of the following
25 criteria: (a) HOSPITALITY WORKERS who have worked or will work for QWICK classified as an
26 independent contractor; (b) who are subsequently reclassified as a QWICK employee; (c) who work
27 their first shift as a QWICK employee on or before December 31, 2024; and (d) who work at least two
28 more shifts for QWICK within six months of their first shift as a QWICK employee.

1 8. EFFECTIVE DATE is February 29, 2024 or the date that DEFENDANT is served
2 through electronic service to their counsel notice that this Final Judgment has been signed by the
3 Court, whichever is later.

4 9. RELEVANT PERIOD is the period beginning August 31, 2019, through the
5 EFFECTIVE DATE of this Final Judgment.

6 10. JUDGMENT AMOUNT refers to the monetary relief of \$1,750,000, which includes
7 the RESTITUTION AMOUNT and the CIVIL PENALTY AMOUNT. Except as provided in this
8 Final Judgment, the JUDGMENT AMOUNT is the maximum amount that DEFENDANT is obligated
9 to pay under this stipulated Final Judgment to resolve the claims in the ACTION for the RELEVANT
10 PERIOD.

11 11. RESTITUTION AMOUNT refers to \$1,500,000 in restitution for monies owed to
12 AFFECTED WORKERS.

13 12. CIVIL PENALTY AMOUNT refers to the assessment of \$250,000 in civil penalties.

14 **II. OVERVIEW AND BACKGROUND**

15 13. On August 31, 2023, PLAINTIFFS filed this ACTION.

16 14. PLAINTIFFS allege DEFENDANT engaged in unlawful and/or unfair business acts
17 and practices in violation of the Unfair Competition Law and the Labor Code by misclassifying its
18 HOSPITALITY WORKERS as independent contractors and by failing to comply with the Labor
19 Code, Industrial Welfare Commission (“I.W.C.”) Wage Order and other laws, including but not
20 limited to failing to pay overtime premiums, failing to provide meal and paid rest breaks, failing to
21 provide paid sick leave, and, for work performed in San Francisco, failure to comply with local
22 employment ordinances.

23 15. PLAINTIFFS further allege that DEFENDANT maintains an unfair competitive
24 advantage over its competitors by misclassifying HOSPITALITY WORKERS.

25 16. DEFENDANT denies all allegations raised in the ACTION.

26 17. Notwithstanding such denial, the PARTIES enter this stipulated Final Judgment to fully
27 and finally resolve the claims in the ACTION for the time periods specified herein in order to avoid
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1 any further expense, delay, and uncertainty of further litigation of the ACTION against
2 DEFENDANT.

3 18. PLAINTIFFS believe that the resolution of the violations alleged in the ACTION is fair
4 and reasonable and fulfills the PLAINTIFFS' enforcement objectives, that no further action is
5 warranted concerning the specific violations alleged in the ACTION except as provided pursuant to
6 this stipulated Final Judgment, and that the Final Judgment is in the best interests of the general public.

7 **III. PARTIES AND JURISDICTION**

8 19. This ACTION is brought by the People in the public interest under the laws of the State
9 of California.

10 20. The City Attorney of San Francisco has the authority, and has exercised that authority,
11 under the laws of the State of California to maintain this ACTION in the name of the People
12 concerning the conduct alleged in the ACTION. This case is also brought by the City to enforce San
13 Francisco employment ordinances.¹

14 21. Unless otherwise stated, all obligations imposed upon DEFENDANT by the terms of
15 this Final Judgment are ordered pursuant to Business and Professions Code sections 17200 *et seq.* and
16 Labor Code section 2786. This Final Judgment shall be enforceable as a civil judgment under
17 California Code of Civil Procedure section 680.010 *et seq.*

18 22. This Court has jurisdiction over the allegations and subject matter of the ACTION, and
19 the PARTIES to this ACTION; venue is proper in this County; and this Court has jurisdiction to enter
20 this Final Judgment.

21 23. This Court has reviewed the Final Judgment and finds it to have been entered in good
22 faith and to be, in all respects, just, reasonable, equitable, and adequate.

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25
26 ¹ Specifically, the City filed this ACTION to enforce the San Francisco Health Care Security
27 Ordinance ("HCSO"), San Francisco Administrative Code ("S.F. Admin. Code") Chapter 14, the San
28 Francisco Paid Sick Leave Ordinance ("PSLO"), S.F. Admin. Code Chapter 12W, and the San
Francisco Paid Parental Leave Ordinance ("PPL0"), San Francisco Police Code ("S.F. Police Code")
Article 33H.

1 **IV. INJUNCTIVE RELIEF**

2 24. DEFENDANT is subject to the following injunctive relief pursuant to Business and
3 Professions Code sections 17203 and Labor Code section 2786.

4 25. Commencing on the EFFECTIVE DATE, DEFENDANT is enjoined and restrained
5 from violating California law regarding overtime pay (Lab. Code, § 510 and I.W.C. wage order No. 4-
6 2001, § 3) and meal periods (Lab. Code, §§ 226.7, 512, and I.W.C. wage order No. 4-2001, § 11) with
7 respect to HOSPITALITY WORKERS under this Final Judgment until all payments required under
8 this Final Judgment are complete.

9 26. Commencing July 1, 2024, DEFENDANT is permanently enjoined and restrained from
10 classifying its HOSPITALITY WORKERS as independent contractors. Effective July 1, 2024, all
11 HOSPITALITY WORKERS in California who perform work using the QWICK App will be classified
12 and treated as QWICK employees.

13 27. Commencing July 1, 2024, DEFENDANT is further enjoined and restrained from
14 violating any provisions of the Labor Code, the Unemployment Insurance Code, the wage orders of
15 the Industrial Welfare Commission, and applicable local worker protection laws with regard to its
16 classification of HOSPITALITY WORKERS as non-employees under this Final Judgment until all
17 payments required under this Final Judgment are complete.

18 28. DEFENDANT will provide each FULLY CONVERTED EMPLOYEE (as defined in
19 Paragraph 7 above) a Sick Leave Bank equivalent to one hour of paid sick time for every 30 hours of
20 work performed by the FULLY CONVERTED EMPLOYEE for the period from August 31, 2019
21 through the date the FULLY CONVERTED EMPLOYEE is reclassified as an employee. This Sick
22 Leave Bank is to be used for future sick leave consistent with applicable state and local law and will
23 be available to the FULLY CONVERTED EMPLOYEE after they complete their third shift as a W-2
24 employee of QWICK within the time limits set forth in Paragraph 7 above. For the avoidance of doubt,
25 this Sick Leave Bank is in addition to the sick time that QWICK employees (including, but not limited
26 to, FULLY CONVERTED EMPLOYEEES) will accrue after they are hired or reclassified as an
27 employee. To the extent it is consistent with state and local laws, DEFENDANT may cap the Sick
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1 Leave Bank for each FULLY CONVERTED EMPLOYEE (including any sick leave hours accrued
2 after the FULLY ACCRUED EMPLOYEE is hired) at 80 hours.

3 29. Notwithstanding Paragraph 28, DEFENDANT is under no obligation to provide
4 FULLY CONVERTED EMPLOYEES with a cumulative Sick Leave Bank, across all FULLY
5 CONVERTED WORKERS, in excess of 15,750 hours or \$350,000. If DEFENDANT reaches this cap
6 of 15,750 hours (or \$350,000.00), DEFENDANT may cease providing Sick Time Bank hours to new
7 FULLY CONVERTED EMPLOYEES after the cap is reached. If and when the cap is reached, Qwick
8 will be under no obligation to provide any additional Sick Leave Bank hours under any circumstance,
9 regardless of whether or not FULLY CONVERTED EMPLOYEES make use of their Sick Leave
10 Bank hours.

11 30. DEFENDANT will use a neutral and non-retaliatory process for reclassifying
12 HOSPITALITY WORKERS as QWICK employees. DEFENDANT will provide these
13 HOSPITALITY WORKERS notice that HOSPITALITY WORKERS who meet the definition of
14 FULLY CONVERTED EMPLOYEES will be provided a Sick Leave Bank based upon their prior
15 work as HOSPITALITY WORKERS.

16 31. By August 1, 2024, DEFENDANT shall provide the San Francisco City Attorney's
17 Office with a declaration, under penalty of perjury, from its CEO or person most qualified to testify
18 regarding DEFENDANT's employee classification practices, along with supporting documentation,
19 verifying to the satisfaction of the San Francisco City Attorney's Office that DEFENDANT is
20 classifying its HOSPITALITY WORKERS as QWICK employees as of July 1, 2024. The declaration
21 shall verify and include the following exhibits, which shall be deemed sufficient to satisfy this
22 obligation: (1) a current list of active HOSPITALITY WORKERS who have been reclassified from
23 independent contractors to employees; (2) pay stubs issued to HOSPITALITY WORKERS in the most
24 recent pay period; and (3) a current workers' compensation insurance policy providing coverage for all
25 HOSPITALITY WORKERS.

26 32. DEFENDANT shall maintain records demonstrating compliance with these injunctive
27 provisions, including time and pay records sufficient to demonstrate compliance with Paragraph 25
28 above. Between August 1, 2024 and August 1, 2026, PLAINTIFFS may make a reasonable written

request to DEFENDANT for documents or information showing DEFENDANT’s compliance with the injunctive provisions of this Final Judgment. DEFENDANT shall provide such documents or information within thirty (30) days after receipt of this request unless otherwise agreed to by the PARTIES or ordered by this Court. Absent a need for prompt action to avoid irreparable harm, PLAINTIFFS will provide DEFENDANT a minimum of 10 calendar days to respond to any claim that DEFENDANT’s have violated these injunctive terms before seeking relief from this Court.

33. DEFENDANT shall provide the San Francisco City Attorney’s Office with copies of any audited financial statements relating to the time period prior to the EFFECTIVE DATE that become available within 30 months of the EFFECTIVE DATE.

V. RESTITUTION

34. No later than March 1, 2024, DEFENDANT will provide shift data and worker contact information to PLAINTIFFS (including all fields previously produced by DEFENDANT to PLAINTIFFS) for the work performed by all HOSPITALITY WORKERS through the EFFECTIVE DATE.

35. DEFENDANT shall pay the RESTITUTION AMOUNT in two installments (“Installment Payments”). With respect to each of the Installment Payments, the PARTIES and AFFECTED WORKERS have the following obligations and associated deadlines:

Obligation	First Installment Payment Deadline	Second Installment Payment Deadline
a. PLAINTIFFS will provide DEFENDANT a list of the AFFECTED WORKERS and the amount of restitution due to each AFFECTED WORKER for purposes of the Installment Payment. The sum of the restitution due to each AFFECTED WORKER on this list will equal \$750,000.00.	By April 1, 2024	By April 1, 2025
b. DEFENDANT shall send an email to each AFFECTED WORKER with the information attached as Exhibit A in the body of the email. DEFENDANT shall also send a text message to the AFFECTED WORKER’s mobile phone and a message through the QWICK app to each AFFECTED WORKER with the information attached as Exhibit B. DEFENDANT shall customize the highlighted fields in Exhibits A with the information specific to each AFFECTED WORKER. DEFENDANT shall use its most	By May 1, 2024	By May 1, 2025

1	recent contact information for each AFFECTED WORKER to send these messages.		
2	c. DEFENDANT shall provide AFFECTED WORKERS the opportunity to request a paper check and to provide such information necessary to complete such payment.	By June 1, 2024	By June 1, 2025
3			
4	d. DEFENDANT shall make payments totaling \$750,000.00 directly to AFFECTED WORKERS. DEFENDANT shall endeavor to pay AFFECTED WORKERS via the same electronic payment method that DEFENDANT has previously paid AFFECTED WORKERS for work performed or by mailing a paper check to the AFFECTED WORKER pursuant to their request in response to the Notice issued in accordance with Paragraph 35(b).	By June 30, 2024	By June 15, 2025
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7			
8	e. To the extent that DEFENDANT could not complete any payments as set forth in Paragraph 35(d), DEFENDANT shall pay the unpaid AFFECTED WORKERS via check sent by U.S. Mail to the AFFECTED WORKER's last known address. All checks must prominently state that the check shall become void by October 31 of the year the check is issued. DEFENDANT shall include in each mailing to each AFFECTED WORKER the same information as set forth in Exhibit A. DEFENDANT shall customize the highlighted fields in Exhibit A with information specific to each AFFECTED WORKER.	By Aug. 1, 2024	By Aug. 1, 2025
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14	f. DEFENDANT shall issue a stop payment on any uncashed checks.	Nov. 1, 2024	Nov. 1, 2025
15			
16	g. DEFENDANT shall pay the San Francisco City Attorney's Office the total unclaimed payments associated with each installment (i.e., \$750,000.00 minus the amount successfully paid under the installment to AFFECTED WORKERS). The Payment shall be made by check or money order payable to, and delivered to, the San Francisco City Attorney's Office, attn: Ian Eliasoph. DEFENDANT shall simultaneously provide an accounting of the amounts paid to AFFECTED WORKERS under the installments and a list of the amounts uncashed and/or undeliverable under the installment to specific AFFECTED WORKERS.	By Dec. 1, 2024	By Dec. 1, 2025
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22 36. For the avoidance of doubt, PLAINTIFFS, in their sole discretion, will determine the

23 portion of the RESTITUTION AMOUNT due to each AFFECTED WORKER and the amount to be

24 paid with each Installment.

25 37. DEFENDANT shall make all reasonable efforts to provide notice and effectuate

26 payments to the AFFECTED WORKERS. DEFENDANT may use a third-party administrator to

27 distribute the funds to AFFECTED WORKERS or may self-administer, at its discretion. If

28 DEFENDANT elects to use a third-party administrator, DEFENDANT shall retain responsibility for

1 overseeing the third-party administrator to ensure full compliance with this Final Judgment. The costs
2 of providing notice and payment to AFFECTED WORKERS as set forth in this Section, including but
3 not limited to the cost of a third-party administrator if DEFENDANT elects to use one, shall be borne
4 by DEFENDANT and shall not come out of the JUDGMENT AMOUNT.

5 38. If any checks are returned by the postal service as undeliverable, DEFENDANT shall
6 take reasonable steps to determine the correct mailing address for the AFFECTED WORKER and re-
7 send the payment via U.S. mail.

8 39. At its sole discretion, the San Francisco City Attorney's Office may use the unclaimed
9 funds to (1) look for and pay unfound workers, (2) provide additional restitution to eligible workers, (3)
10 cover any administrative costs for attempting to locate and pay additional restitution, (4) recover other
11 litigation costs and fees, and/or (5) for the enforcement of consumer protection and worker protection
12 laws.

13 40. In the event DEFENDANT fails to timely make any Installment Payment,
14 DEFENDANT shall be in breach of this Final Judgment. If DEFENDANT fails to cure the default by
15 making payment in the full amount then due within a 15-calendar day grace period, all remaining
16 payments shall become due immediately and an interest rate of 10% per annum shall begin to accrue on
17 the date of breach.

18 **VI. CIVIL PENALTIES**

19 41. No later than July 1, 2026, DEFENDANT shall pay the San Francisco City Attorney's
20 Office the CIVIL PENALTY AMOUNT. The Payment shall be made by check or money order payable
21 to, and delivered to, the San Francisco City Attorney's Office, attn: Ian Eliasoph.

22 42. These funds are to be used exclusively by the San Francisco City Attorney's Office for
23 the enforcement of consumer protection laws, including California's Unfair Competition Law and state
24 and local worker protection laws.

25 **VII. TAXES**

26 43. The PARTIES make no representation or warranty as to any tax consequences of the
27 amounts to be paid under this Final Judgment.

1 44. DEFENDANT is solely responsible for any tax implications related to DEFENDANT’s
2 payment of the RESTITUTION AMOUNT.

3 45. DEFENDANT acknowledges that applicable law requires DEFENDANT to furnish
4 DEFENDANT’s federal taxpayer identification number to PLAINTIFFS for inclusion on IRS Form
5 1098-F and that DEFENDANT may be subject to a penalty for failure to furnish its taxpayer
6 identification number. DEFENDANT agree to furnish such number by providing PLAINTIFFS a
7 completed IRS Form W-9, Request for Taxpayer Identification Number and Certification.
8 PLAINTIFFS also agree to provide DEFENDANT with an IRS FORM W-9 in order to effectuate
9 payment of the CIVIL PENALTY AMOUNT.

10 46. DEFENDANT shall designate \$175,000 of the RESTITUTION AMOUNT as wages
11 and make appropriate deductions and withholdings. Any additional tax liability arising from this wage
12 allocation for the employer’s side of those wages shall be borne by DEFENDANT and those funds will
13 not come from the JUDGMENT AMOUNT.

14 47. DEFENDANT further agrees to provide such other information as may be requested by
15 PLAINTIFFS to enable PLAINTIFFS to comply with any reporting requirements for payments made
16 pursuant to this Final Judgment that are imposed by applicable law. For purposes of any obligations or
17 rights of the PARTIES that arise from the making of payments under this Final Judgment including any
18 IRS reporting requirements of the City, the JUDGMENT AMOUNT is hereby identified as follows:
19 \$1,500,000 for the restitution of workers; and \$250,000 for civil money penalties.

20 **VIII. NO RETALIATION**

21 48. DEFENDANT shall not in any manner discriminate or retaliate against any
22 HOSPITALITY WORKERS, including but not limited to HOSPITALITY WORKERS who cooperated
23 or are perceived to have cooperated with the investigation and prosecution of this matter.
24 DEFENDANT agrees not to discharge, refuse to hire, or take any adverse action against any of these
25 HOSPITALITY WORKERS except for legitimate, non-discriminatory reasons unrelated to the
26 investigation or to any past, present, or future participation in any activities involving the exercise of
27 their legal rights under applicable employment laws.

1 **IX. RELEASES**

2 49. By entry of this Final Judgment and following full payment of the JUDGMENT
3 AMOUNT, PLAINTIFFS agree to release and discharge DEFENDANT, their heirs and executors and
4 their past and present shareholders, employees, officers, directors, attorneys, successors, predecessors,
5 affiliates, agents, and representatives, from the claims set forth in the Complaint, including all causes of
6 action, counterclaims, attorney’s fees and costs. This release is limited to claims arising from or directly
7 related to the misclassification of employees as independent contractors during the RELEVANT
8 PERIOD. Nothing in this Final Judgment shall limit or affect PLAINTIFFS’ right to take or pursue any
9 other legal claim(s).

10 50. In consideration for the promises set forth in this Final Judgment, DEFENDANT agrees
11 to release PLAINTIFFS, as well as its employers, officers, directors, attorneys, successors,
12 predecessors, affiliates, agents, and representatives, from any and all claims that were or could have
13 been asserted before an administrative body or court, including all actions, causes of action,
14 counterclaims, claims for attorney’s fees and costs, related in whole or in part to the ACTION through
15 the EFFECTIVE DATE.

16 **X. NOTICES**

17 51. All notices and mailings to be delivered among or between the PARTIES required by
18 this Final Judgment shall be served by email on the following persons, or any person subsequently
19 designated by the PARTIES to receive such notices:

20 Ian Eliasoph
21 San Francisco City Attorney’s Office
22 City Hall Room 234
23 1 Dr. Carlton B. Goodlett Place
24 San Francisco CA 94102
25 Ian.Eliasoph@sfcityatty.org

26 Matthew Goldberg
27 San Francisco City Attorney’s Office
28 City Hall Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco CA 94102
Matthew.Goldberg@sfcityatty.org

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1 Dana Barbeau
Chief Legal & People Officer
3550 N. Goldwater Blvd.
2 Suite 1154
Scottsdale, Arizona 85251
3 dana.barbeau@qwick.com
legal@qwick.com
4

5 Keith A. Jacoby
kjacoby@littler.com
6 Sophia B. Collins
scollins@littler.com
7 Sarah R. Boxer
sboxer@littler.com
LITTLER MENDELSON P.C.
8 2049 Century Park East
5th Floor
9 Los Angeles, California 90067.3107

10 DEFENDANT shall consult with PLAINTIFFS to arrange for the delivery of any checks
11 issued to the San Francisco City Attorney's Office in accordance with this Final Judgment.

12 **XI. MATERIAL INACCURACIES OR MISREPRESENTATIONS**

13 52. DEFENDANT acknowledges that PLAINTIFFS agreement to the resolution of this
14 matter as set forth in this Final Judgment is made in reliance on the accuracy of time and pay data for
15 HOSPITALITY WORKERS and confidential financial information that DEFENDANT has provided to
16 PLAINTIFFS. Later discovery that this data or financial information is materially inaccurate and/or
17 intentionally false shall be grounds for this Court, upon a motion supported by adequate proof, to
18 modify this Final Judgment, including but not limited to increasing the JUDGMENT AMOUNT in a
19 manner proportional to the material inaccuracy or misrepresentation, or accelerating the payment
20 schedule.

21 **XII. ADDITIONAL PROVISIONS**

22 53. This Court retains jurisdiction of this matter only for purposes of (a) interpretation,
23 enforcement, and modification of this Final Judgment and (b) settlement administration matters.

24 54. The Parties agree to stay all proceedings in the ACTION, except such proceedings
25 necessary to implement and obtain Court approval of this Final Judgment.

26 55. DEFENDANT is ordered to ensure all officers and persons responsible for
27 implementing this Final Judgment on DEFENDANT's behalf are provided a copy of this Final
28

1 Judgment within 15 days of the EFFECTIVE DATE. Upon request, DEFENDANT shall also provide a
2 copy of this Final Judgment to any former or current HOSPITALITY WORKERS.

3 56. Each party shall bear its own costs, fees, and expenses incurred in connection with this
4 ACTION. This does not bear on the PARTIES rights to recover costs or fees in conjunction with
5 enforcing this Final Judgment.

6 57. The PARTIES specifically warrant and represent that they each have full authority to
7 enter into this Final Judgment and make the full scope of promises, releases, and covenants set forth
8 herein for and on behalf of the entity they each represent.

9 58. This Final Judgment has been reviewed by the PARTIES and their respective attorneys
10 and each have had a full opportunity to negotiate the contents of this Final Judgment. The PARTIES
11 agree that the language in all parts of this Final Judgment shall be construed as a whole, according to
12 fair meaning.

13 59. This Final Judgment may be modified only by the Court, upon noticed motion, or upon
14 written consent by the PARTIES and approval of the Court.

15 60. This Final Judgment shall be construed and enforced in accordance with the laws of the
16 State of California.

17 61. This Final Judgment shall be deemed to have been drafted equally by all PARTIES.
18 Accordingly, any and all rules of construction holding that ambiguity is construed against the drafting
19 party shall not apply to the interpretation of this Final Judgment.

20 62. This Final Judgment is intended by the PARTIES as a final expression of their
21 agreement and understanding concerning the subject matter addressed in the Final Judgment and is
22 intended as a complete statement of the terms and conditions of their settlement, and any and all prior
23 oral or written agreements or understandings between the PARTIES related to the Final Judgment are
24 superseded. No representations, oral or otherwise, express or implied, other than those specifically
25 referred to in the Final Judgment, have been made by any Party to the Final Judgment.

26 63. Before declaring any provision of this Final Judgment invalid, the Court shall first
27 attempt to construe the provisions valid to the fullest extent possible consistent with applicable
28 precedent so as to define all provisions of this Final Judgment valid and enforceable.

1 **SO STIPULATED:**

2 FOR PLAINTIFFS:

3 Dated: February 21, 2024

4 DAVID CHIU
City Attorney
5 YVONNE R. MERÉ
Chief Deputy City Attorney
6 MATTHEW D. GOLDBERG
Chief Worker Protection Attorney
7 IAN H. ELIASOPH
Deputy City Attorney

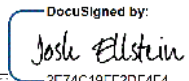
8 By: 
IAN H. ELIASOPH

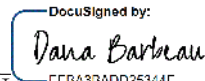
9 Attorneys for Plaintiffs
10 PEOPLE OF THE STATE OF CALIFORNIA, acting by
and through San Francisco City Attorney DAVID CHIU,
11 and CITY AND COUNTY OF SAN FRANCISCO

12 FOR DEFENDANT:

13 Dated: 2/21/2024

Dated: 2/20/2024

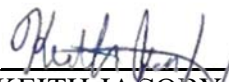
14 By: 
15 JOSH ELLSTEIN
Co-CEO of QWICK, INC.

By: 
16 DANA BARBEAU
Chief Legal & People Officer of QWICK, INC.

17 Approved as to FORM:

18 Dated: February 16, 2024

LITTLER MENDELSON

19 By: 
20 KEITH JACOBY
21 SOPHIA B. COLLINS
22 TONY ZHAO
MICHELLE CLARK
SARAH BOXER

23 Attorneys for Defendant
QWICK, INC.

24 **ORDERED AND ADJUDGED** at San Francisco, California, this ___ day of _____, 2024.

26 DATED:

27 JUDGE ETHAN P. SCHULMAN

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Exhibit A

1 QWICK LETTERHEAD

2
3 **NOTICE OF EXPECTED PAYMENTS TO YOU**

4 Dear [insert full name of AFFECTED WORKER]:

5 This Notice is to alert you that we will be sending you payment pursuant to a court
6 judgment in the case of *People of California et al. v. Qwick, Inc.*, San Francisco
Superior Court Case No. CGC-23-608756 (“the Lawsuit”).

7 **PLEASE READ CAREFULLY TO ENSURE YOU RECEIVE THE PAYMENTS**
8 **WE WILL BE MAKING TO YOU**

9 **Why will you be receiving payments from Qwick?** The San Francisco City Attorney
10 filed the Lawsuit on behalf of the People of California and the City and County of San
11 Francisco (“Plaintiffs”) alleging that Qwick misclassified California freelancers like
12 you as independent contractors instead of employees and thereby denied freelancers
13 protections such as overtime pay and guaranteed breaks from August 31, 2019 through
the Effective Date of the judgment (“the Relevant Time Period”). While we deny that
you were misclassified, we have agreed to the entry of a court judgment that requires us
to reclassify our California freelancers as employees and to make restitution payments
to freelancers who performed work using the Qwick App in California during the
Relevant Time Period.

14 **How much money will you receive and when?** We will be making payments in two
15 installments. The first payment will be sent to you in June 2024 [This sentence is for
16 First Installment only]. A second payment will be sent to you in June 2025 [This
17 sentence is for Second Installment only]. Your payment for this installment will be
approximately \$_____, subject to state and federal withholdings. **NOTE:** *Payments
to you are not guaranteed. If we are unable to complete payment and cannot locate you
for this purpose, this payment may be reallocated to other workers or forfeited.*

18 **What do you need to do to get paid?**

19 We will make payment to via check mailed to your last known address unless we hear
20 otherwise from you electing to receive electronic payment and providing the required
information.

<i>If</i>	<i>What you need to do to get paid</i>
You wish to be paid by check instead of electronic payment.	You do not need to do anything. We will automatically pay you via check in the mail to your last known address. To update or confirm your address, you must contact us no later than June 1, 2024 , at [SETTLEMENT ADMIN EMAIL ADDRESS] and provide your updated mailing address where the checks should be delivered.
You would like to be paid via electronic payment transfer.	By June 1, 2024 , you must contact us at [parties to agree to a secure method to transfer necessary information].

Questions.

If you have questions about this notice, please contact us at [SETTLEMENT ADMIN EMAIL ADDRESS].

If you have any questions or concerns about our compliance with the judgment, you may contact the San Francisco City Attorney’s Office (even if you do not live or work in San Francisco) at QwickWorkers@SFCITYATTY.ORG.

[ADD SPANISH TRANSLATION]

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Exhibit B

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You are receiving this because you have performed work using the Qwick App in California from August 31, 2019 through Effective Date of the judgment. This text is to let you know that Qwick will be paying you as a result of a legal settlement with the San Francisco City Attorney Office. This payment will be by check mailed to your last known address unless you contact us on or before June 1, 2024 to request payment by electronic payment transfer and provide required information. We have sent you an email explaining these payments and information needed to elect electronic payment. If you need to contact us (including to provide electronic payment information or update your mailing address), or did not receive our email, please email us at _____ or text us at _____ .

[ADD SPANISH TRANSLATION]

1 **PROOF OF SERVICE**

2 I, KATHLEEN K. HILL, declare as follows:

3 I am a citizen of the United States, over the age of eighteen years and not a party to the above-
4 entitled action. I am employed at the City Attorney’s Office of San Francisco, Fox Plaza Building,
1390 Market Street, Sixth Floor, San Francisco, CA 94102.

5 On February 21, 2024, I served the following document(s):

6 **STIPULATION FOR ENTRY OF FINAL JUDGMENT**

7 on the following persons at the locations specified:

8 Keith Jacoby
9 Sophia B. Collins
10 Tony Zhao
11 Michelle Clark
12 Sarah Boxer
13 Littler Mendelson P.C.
2049 Century Park East, 5th Floor
Los Angeles, CA 90067-3107

12 Email: KJacoby@littler.com;
13 SCollins@littler.com; Tzhao@littler.com;
MiClark@littler.com; SBoxer@littler.com


14 *Attorney for Defendant Qwick, Inc.*

15 in the manner indicated below:

16 **BY ELECTRONIC MAIL:** Based on a court order or an agreement of the parties to accept electronic
17 service, I caused the documents to be served electronically through **File & ServeExpress** in portable document
format ("PDF") Adobe Acrobat.

18 I declare under penalty of perjury pursuant to the laws of the State of California that the
19 foregoing is true and correct.

20 Executed on February 21, 2024, at San Francisco, California.

21 

22 _____
KATHLEEN K. HILL