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15 UNITED STATES DISTRICT COURT
16 NORTHERN DISTRICT OF CALIFORNIA

19 PAUL VELIZ, *et al.*,

20 Plaintiffs,

21 v.

22 CINTAS CORPORATION, *et al.*

23 Defendants.

Case No. C 03-01180 RGS (MEJ)

**AGREEMENT TO SETTLE CLASS AND
COLLECTIVE LITIGATION AND
ARBITRATION BETWEEN
PLAINTIFF PAUL VELIZ *ET AL.*, AND
DEFENDANT CINTAS CORPORATION
*ET AL.***

1 3. Cintas filed and served an Answer to each version of plaintiffs' complaint, denying
2 liability, disputing some plaintiffs' right to litigate in federal court, and contesting the propriety of
3 the collective and class actions alleged.

4 4. On May 25, 2004, United States District Judge Sandra Brown Armstrong ordered
5 that facilitated notice be provided under the FLSA to certain allegedly similarly situated
6 individuals. Approximately 2,400 individuals ultimately filed FLSA Consent-to-Sue forms.

7 5. Over the course of the federal court proceedings, Judge Armstrong ruled that
8 certain plaintiffs who had filed Consent-to-Sue forms were subject to binding agreements to
9 arbitrate their claims against Cintas. Ultimately, Judge Armstrong ruled that approximately 2,000
10 individuals were required to arbitrate their FLSA and state law claims against Cintas. Plaintiffs'
11 putative nationwide class action for violation of ERISA remained in federal court, but was stayed
12 pending the resolution of the plaintiffs' state and federal Wage and Hour claims.

13 6. On May 4, 2004, claimants Paul Veliz *et al.* filed a Demand for Classwide
14 Arbitration Under AAA Employment Arbitration Rules and Supplementary Rules for Class
15 Arbitration ("the *Veliz* Arbitration"), seeking relief in a collective and class arbitration under the
16 FLSA and various states' Wage and Hour laws. In their Amended Arbitration Demand ("AAD"),
17 claimants assert claims pursuant to the FLSA and various state laws on a class and collective
18 basis.

19 7. Cintas denies that the claimants in the *Veliz* Arbitration are entitled to any of the
20 relief they seek and denies that the arbitrator appointed in the *Veliz* Arbitration has authority to
21 resolve the asserted claims either collectively or on a class basis.

22 8. The state-law class claims that are alleged or have been alleged in the *Veliz*
23 Litigation assert violations of the laws of California, Colorado, Connecticut, Illinois, Indiana,
24 Kentucky, Maryland, Massachusetts, Minnesota, Missouri, New Jersey, New Mexico, New York,
25 Ohio, Pennsylvania, Washington and West Virginia. The state-law class claims that are alleged
26 or have been alleged in the *Veliz* Arbitration assert violations of the laws of California, Colorado,
27 Connecticut, Illinois, Kansas, Kentucky, Maine, Maryland, Massachusetts, Minnesota, New
28 Jersey, New Mexico, New York, Ohio, Oregon, Pennsylvania, Washington and Wisconsin.

1 9. In March 2006, Cintas filed petitions to compel arbitration under Section 4 of the
2 Federal Arbitration Act (“FAA”), 9 U.S.C. §4, against each of approximately 1,900 individuals
3 who had filed Consent-to-Sue forms in the *Veliz* Litigation, and whose FLSA and state law claims
4 had been stayed pending arbitration. Cintas filed these petitions in the 70 federal district courts
5 sitting in the judicial districts where each of these individuals last worked for Cintas. The Judicial
6 Panel on Multidistrict Litigation ordered that these cases be coordinated or consolidated for
7 pretrial proceedings before Judge Armstrong (collectively, “the MDL cases”).

8 10. In an Order issued on January 9, 2007 (and as amended April 10, 2007), Judge
9 Armstrong granted Cintas’ motion for a ruling that the respondents in the MDL cases were
10 failing, refusing or neglecting to arbitrate in accordance with the terms of their agreements. Judge
11 Armstrong also granted those respondents’ petition to certify an interlocutory appeal pursuant to
12 28 U.S.C. § 1292(b). The Ninth Circuit Court of Appeals accepted jurisdiction over that appeal,
13 which remains pending.

14 11. Throughout the pendency of the *Veliz* Litigation and *Veliz* Arbitration, the Parties
15 have engaged in extensive formal discovery including propounding and responding to multiple
16 sets of interrogatories and requests for the production of documents, and depositions of fact
17 witnesses and reports of expert witnesses. The Parties have also engaged in extensive motion
18 practice both in the *Veliz* Litigation and the *Veliz* Arbitration, including motions to dismiss, for
19 summary judgment and to resolve discovery disputes. Still unresolved in the *Veliz* Litigation and
20 the *Veliz* Arbitration, among many other issues, is whether the FLSA claims may proceed to trial
21 on a collective basis and whether any classes will be certified to pursue state law claims. Many of
22 these vigorously contested issues are novel and the remaining issues to be resolved pose similarly
23 extensive substantive and procedural difficulties.

24 12. The Parties have engaged in extensive settlement discussions both directly through
25 their attorneys and in mediations with several judges and professional mediators. Most recently,
26 the Parties participated in three mediation sessions before an experienced mediator, retired Judge
27 James Warren of JAMS in San Francisco (the “Mediator”). After the conclusion of those three
28 sessions, the Mediator issued the Mediator’s Proposal to the parties. As a result of informed,

1 arms-length negotiations between the Parties, on August 5, 2009, the Parties each accepted the
2 Mediator's Proposal, which included a provision that disputes regarding the preparation of the
3 formal settlement agreement and release documents would be resolved by binding arbitration.

4 13. On November 9, 2009, the Parties entered into an Arbitration Agreement in which
5 they agreed to submit disputes regarding the preparation of the formal settlement agreement and
6 release documents to Judge Warren for binding arbitration (referred to as "Arbitrator Warren"
7 herein, when the reference is to him in that capacity rather than as Mediator).

8 14. In November-December 2009 and June 2010, the Parties submitted a set of
9 disputes to Arbitrator Warren.

10 15. On March 16, 2010, Arbitrator Warren issued his Arbitrator's Award of "Initial
11 Disputes" Under Settlement Agreement Pursuant to Mediator's Proposal. On July 21, 2010,
12 Arbitrator Warren issued his Arbitrator's Final Award Under Settlement Agreement Pursuant to
13 Mediator's Proposal (the "Arbitrator's Award") which incorporated the rulings contained in his
14 March 16, 2010 Award. The Arbitrator's Award is attached hereto as Exhibit A because the
15 settlement memorialized in this Agreement contains terms based on that Award.

16 16. The Parties have jointly requested and obtained a stay of all litigation, arbitration
17 and appeals pending settlement approval.

18 **II. DEFINITIONS**

19 The following definitions are applicable to this Agreement. Other definitions are set forth
20 in the body of this Agreement.

21 17. "Arbitration Agreement" – means the agreement dated November 9, 2009 to
22 submit certain disputes to Arbitrator Warren for resolution by binding arbitration, a copy of which
23 is attached as Exhibit B to the Arbitrator's Award.

24 18. "Arbitrator" – means the Honorable Bruce Meyerson (Ret.).

25 19. "Arbitrator Warren" – means the Honorable James L. Warren (Ret.) when acting
26 in his capacity as the arbitrator pursuant to the Arbitration Agreement.

27 20. "Arbitrator's Award" – means Arbitrator Warren's July 21, 2010 Arbitrator's Final
28 Award Under Settlement Agreement Pursuant to Mediator's Proposal.

1 21. “Authorized Claim” – means a valid and timely Claim complying with the Proof
2 of Claim Form requirements as set forth in this Agreement, subject to a final and binding
3 determination by the Claims Administrator.

4 22. “Authorized Claimant” – means any Settling Plaintiff who is entitled to a
5 Settlement Payment from the Settlement Proceeds.

6 23. “Cintas” – means Cintas Corporation and its former, current and future parents,
7 divisions, subsidiaries, successors, predecessors and affiliated companies, including but not
8 limited to Cintas Sales Corporation, Cintas Sales Corporation - Ohio, Cintas Corporation No. 2,
9 Cintas Corporation No. 3, Unitog Company, Unitog Rental Services, Inc., Omni Services
10 Inc./RUS Uniforms, Van Dyne Crotty Inc., and Uniform Rental Services, Inc. As used in this
11 Agreement, “Cintas” also includes the Plan Administrator of the Cintas Partners’ Plan.

12 24. “Cintas Released Parties” – includes Cintas and its present and former employees,
13 officers, directors, agents, attorneys, and stockholders.

14 25. “Claim” – means any claim made by a Settling Plaintiff for payment under this
15 Settlement Agreement.

16 26. “Claim Period” – means a period of 90 days from the date the Claims
17 Administrator first mails the Original Notice to Settling Plaintiffs.

18 27. “Claimant” – means a person who submits a Proof of Claim pursuant to this
19 Agreement.

20 28. “Claims Administrator” – means Dahl, Inc., and any successors designated by the
21 Parties to effectuate the Settlement.

22 29. “Costs of Class Administration and Notice” – means the costs incurred by the
23 Claims Administrator in carrying out its duties as described in this Agreement and any other costs
24 or expenses directly related to providing notice and administering claims, or providing payments
25 as required in this Agreement.

26 30. “Court” – means the United States District Court for the Northern District of
27 California, and any appellate court that may in the future exercise jurisdiction over the Settled
28 Actions.

1 31. “Day” – means calendar day, unless expressly stated to be otherwise.

2 32. “Effective Date” – means the date by which all of the following have occurred: (i)
3 the Court issues its final approval of this Agreement; and (ii) the Court’s Judgment and Order
4 Granting Final Approval of Class Settlement and Confirming Settlement Award in Arbitration
5 (“Judgment”) becomes final. The Judgment shall become final upon the latest of: (i) if there is
6 an appeal of the trial court’s Judgment, the date of final affirmance on appeal, the date of
7 dismissal of such appeal, and the expiration of the time for a petition for writ of certiorari to the
8 United States Supreme Court, if no such petition is filed; or (ii) if there is a petition for writ of
9 certiorari to the United States Supreme Court, the date of denial of such petition or the date of
10 affirmance of the district court’s Judgment pursuant to such petition; or (iii) if no appeal is filed,
11 30 days after entry of the district court’s Judgment.

12 33. “Eligible Workweeks” – means the number of weeks an FLSA Plaintiff or Class
13 Member worked as a Route Driver for which that FLSA Plaintiff or State Law Class Member
14 may seek compensation under this Settlement and, thus, which shall be counted in the formula
15 computing his or her Settlement Payment, as set forth in paragraphs 106-107. Each FLSA
16 Plaintiff or State Law Class Member’s Eligible Workweeks shall be determined by counting the
17 number of calendar days from the FLSA Plaintiff or State Law Class Member’s starting date of
18 employment as a Route Driver through and including his or her ending date of employment as a
19 Route Driver, divided by seven, but excluding any interim work days in which the FLSA Plaintiff
20 or State Law Class Member did not work as a Route Driver to the extent so stated by an
21 Authorized Claimant in their Proof of Claim. Any fractional Eligible Workweek shall be counted
22 as one (1) Eligible Workweek. Eligible Workweeks shall only include time worked within the
23 FLSA Plaintiff or State Law Class Member’s Relevant Limitations Period and shall not include
24 any time worked after the Settlement Close Date.

25 34. “Enhancement Payment” – includes (a) a payment of \$2,500 (two thousand five
26 hundred dollars) each to be made to plaintiffs Michael Brown, Ricardo Brown, Michael Clayton,
27 Dennis Fedor, Drew Fuehring, Wilfredo Huertas, Daniel Peterson, Derrick Samuels, Kelly Smith
28 and Edward Sullivan, in recognition of what Plaintiffs’ Attorneys state has been exceptional

1 participation of these individuals in pursuing the Settled Actions, including sitting for deposition
2 and/or providing extraordinary assistance to Plaintiffs' Attorneys in fact development; and (b) a
3 payment of \$1,000 (one thousand dollars) each to Paul Veliz, Carl Russell, David Anderson, Tom
4 Jaramillo, Barbara Cowles, Tade Wasmer, Mark Anthony Feagin, William Hehr II, R. Patrick
5 Durkin, Aaron Collins, Randy Bowles, Jason Koste, Fred Migdol, Edward P. Garcia, Ronald
6 Gardner, Anthony Edwards, Colby Jackson, Brian Gilbert, Doug Choate, Robert DeGroot, John
7 Cruz, Edward Evans, Timothy Coleman, Thomas Dollhopf, Sean Eaton, Brian Gamble, and Paul
8 Kushner, because of their willingness to be named as a putative class representatives in the
9 litigation or the arbitration. Each person who is entitled to an Enhancement Payment as set forth
10 in this paragraph shall receive that Enhancement Payment in addition to his or her calculated
11 Settlement Payment according to the allocation formula set forth in paragraphs 106-107. If any
12 person identified in this paragraph 34 does not file a timely Proof of Claim, his or her
13 Enhancement Payment shall be allocated to the Settlement Proceeds.

14 35. "ERISA Class Period" – means the period from March 19, 2000 to the Settlement
15 Close Date.

16 36. "ERISA Class" – means a class of persons certified by the Court for settlement
17 purposes pursuant to Paragraph 73 of this Agreement comprising those persons employed by
18 Cintas as a Route Drivers at any time during the ERISA Class Period, who were participants in or
19 entitled to participate in the Cintas Partners Plan.

20 37. "Final Settlement hearings" – means the hearings to be conducted by the Court
21 and/or Arbitrator after the mailing described in paragraph 88, during which the Court and/or the
22 Arbitrator will consider objections to the Settlement, if any, and will determine whether to finally
23 approve and implement the terms of this Agreement.

24 38. "FLSA" – means the Fair Labor Standards Act, 29 U.S.C. §§201 *et seq.*

25 39. "FLSA Minimum Payment" – means a payment of \$100 (one hundred dollars) to
26 be made to each FLSA Plaintiff, in addition to any Settlement Payment for which he or she may
27 be eligible pursuant to this Agreement, and regardless of whether the FLSA Plaintiff files a Proof
28 of Claim pursuant to this Agreement.

1 40. “FLSA Plaintiffs” – means those Settling Plaintiffs who filed FLSA consent to sue
2 forms and are listed on Exhibit B attached hereto.

3 41. “Individual Release” – means the release set forth in paragraph 69.b and included
4 on the Proof of Claim Form to be executed by each Claimant.

5 42. “Judgment” – means the Judgment as defined in Paragraph 95 herein.

6 43. “Mediator’s Proposal” – means the Mediator’s Proposal accepted in writing by
7 both Parties on August 5, 2009, a copy of which is attached as Exhibit A to the Arbitrator’s
8 Award.

9 44. “Opt-Out Plaintiffs” – means those persons who submit valid and timely requests
10 for exclusion pursuant to this Agreement and the Notice of Pendency of Class and Collective
11 Action and Proposed Settlement, as set forth in paragraph 93.

12 45. “Original Notice” – means the Notice of Pendency of Class and Collective Action
13 and Proposed Settlement attached as Exhibit C, which shall be mailed to Settling Plaintiffs as set
14 forth in paragraph 88.

15 46. “Parties” – means Settling Plaintiffs and Cintas, as defined herein.

16 47. “Percentage Share” – means the percentage of the Settlement Proceeds to which
17 an individual Authorized Claimant is entitled, which is calculated by dividing the individual
18 Authorized Claimant’s Point Share by the Total Points.

19 48. “Plaintiffs’ Attorneys” – means Altshuler Berzon LLP, Traber & Voorhees, and
20 Robbins Geller Rudman & Dowd LLP.

21 49. “Plaintiffs’ Attorneys’ Fees and Costs” – means the amount awarded to the
22 Plaintiffs’ Attorneys by the Court for prosecuting the Settled Actions, including for all work
23 performed to date and all work to be performed in the future, whether in connection with the
24 approval by the Court of this Agreement and with the upcoming Claims Administration and
25 payment of the Claims and any subsequent appeals, or otherwise; and the actual expenses spent or
26 incurred by Plaintiffs’ Attorneys, or that hereafter are spent or incurred by them, that are
27 reasonably related to the handling of the Settled Actions, including, but not limited to, expenses
28

1 for experts and consultants, Plaintiffs Attorneys' share of the fees of the Mediator and Arbitrator,
2 filing fees, and expenses of travel and accommodations for the mediation.

3 50. "Point Share" – means the total number of Settlement Points allocated to a
4 particular Settling Plaintiff.

5 51. "Relevant Limitations Period" – means, for each FLSA Plaintiff or State Law
6 Class Member, the limitations period for his or her FLSA claim if that Settling Plaintiff is an
7 FLSA Plaintiff (as set forth in Exhibit B), or the applicable State Law Class Period, if any (as set
8 forth in paragraph 63), whichever is longer.

9 52. "Route Driver" – means a person employed by Cintas at any time as a Service
10 Sales Representative, Commission Route Salesperson, Commission Route Sales Representative,
11 Service Training Coordinator, Route Skipper or other person performing a service and delivery
12 function, except those whose basic rate of pay is on a "per hour" basis.

13 53. "Settled Actions" – means all the actions described in Section I, above and
14 includes all claims, known or unknown, that were brought or which could have been brought
15 relating to the subject matter of the *Veliz* Litigation and/or the *Veliz* Arbitration.

16 54. "Settlement" – means the settlement of the Settled Actions effectuated by this
17 Agreement.

18 55. "Settlement Amount" – means Twenty-Two Million Seven Hundred Fifty
19 Thousand Dollars (\$22,750,000.00).

20 56. "Settlement Class" – means those persons who are Settling Plaintiffs who do not
21 properly and timely opt out of the action.

22 57. "Settlement Class Member" – means any person who is included in the Settlement
23 Class.

24 58. "Settlement Close Date" – means August 22, 2010, being the 30th day after the
25 date upon which Arbitrator Warren provided counsel with the final language that will appear in
26 the settlement documents.

27 59. "Settlement Payments" – means the amounts to be paid to individual Settlement
28 Class Members.

1 60. “Settlement Point” – means the point(s) allocated to Authorized Claimants
2 pursuant to this Agreement in an amount that correlates to their individual circumstances as set
3 forth in this Agreement.

4 61. “Settlement Proceeds” – means the Settlement Amount, plus interest thereon as set
5 forth in paragraph 110 and pursuant to the Arbitrator’s Award, less: the costs of class
6 administration and notice, the Enhancement Payments, the Plaintiffs’ Attorneys’ Fees and Costs,
7 the ERISA Settlement Fund, and the FLSA Minimum Payments.

8 62. “Settling Plaintiffs” – means all Route Drivers employed by Cintas in the United
9 States at any time from March 19, 2000, or such earlier date as may be set forth below with
10 respect to certain State Law Class Periods, through the Settlement Close Date, including the
11 FLSA Plaintiffs, the members of the State Law Classes and members of the ERISA Class; except
12 that no plaintiff shall be a Settling Plaintiff if that individual was dismissed from the *Veliz*
13 Litigation and that dismissal is confirmed by a final judgment pursuant to Fed. R. Civ. P. 54(b).

14 63. The “State Law Classes” – means the individual state-law classes referenced in
15 paragraph 8, above, which are comprised of Route Drivers employed by Cintas at a location in
16 one of the following states during the applicable “State Law Class Period” (which term is defined
17 in the following table):

State	State Law Class Period
California	March 19, 1999 to the Settlement Close Date
Colorado	May 26, 2000 to the Settlement Close Date
Connecticut	May 26, 2001 to the Settlement Close Date
Illinois	March 19, 2000 to the Settlement Close Date
Indiana	May 26, 2000 to the Settlement Close Date
Kansas	May 4, 2001 to the Settlement Close Date
Kentucky	May 4, 1999 to the Settlement Close Date
Maine	May 4, 1998 to the Settlement Close Date

State	State Law Class Period
Maryland	April 20, 2001 to the Settlement Close Date
Massachusetts	May 4, 2002 to the Settlement Close Date
Minnesota	May 4, 2001 to the Settlement Close Date
Missouri	May 26, 2001 to the Settlement Close Date
New Jersey	March 19, 2001 to the Settlement Close Date
New Mexico	May 4, 2003 to the Settlement Close Date
New York	May 26, 1997 to the Settlement Close Date
Ohio	May 4, 2002 to the Settlement Close Date
Oregon	May 4, 2002 to the Settlement Close Date
Pennsylvania	May 4, 2001 to the Settlement Close Date
Washington	May 4, 2001 to the Settlement Close Date
West Virginia	August 23, 2000 to the Settlement Close Date
Wisconsin	May 4, 2002 to the Settlement Close Date

64. “State Law Class Member” – means a member of any State Law Class described in paragraph 8 of this Agreement.

65. “Total Points” – means the aggregate of the Settlement Points awarded to all Authorized Claimants.

66. “*Veliz* Litigation” – means *Paul Veliz, et al. v. Cintas Corporation, et al.*, Case No. C 03-1108, which was filed in the United States District Court for the Northern District of California on March 19, 2003.

67. “*Veliz* Arbitration” – means *Paul Veliz, et al v. Cintas Corporation, et al.*, AAA Case No. 11 160 01323 04, which was filed with the American Arbitration Association on May 4, 2004.

1 68. “Wage and Hour” – means laws regulating compensation for missed meal or rest
2 breaks; failure to provide accurate wage statements; failure to pay all overtime compensation due;
3 and the timing of such payments.

4 **III. RELEASE, PROCEDURES AND OTHER TERMS**

5 Settling Plaintiffs and Cintas enter into this Agreement and agree:

6 69. Cintas Release:

7 a. Upon the Effective Date, Settling Plaintiffs fully and finally resolve and
8 release the Cintas Released Parties from, and permanently dispose of, all claims, known or
9 unknown, that were brought or which could have been brought for relief under ERISA, as
10 well as all claims that were or that could have been brought relating to the subject matter
11 of the *Veliz* Litigation or the *Veliz* Arbitration. For the avoidance of doubt, and without in
12 any way limiting the foregoing sentence, the parties agree (a) that the claims released do
13 not include any claims that a person was retaliated against for participating in the *Veliz*
14 Litigation or the *Veliz* Arbitration; and (b) that the claims released do include all claims,
15 known or unknown, relating to any alleged failure to provide meal and/or rest breaks,
16 delay of payment and any other state law Wage and Hour claims on behalf of individual
17 plaintiffs asserting FLSA claims in the *Veliz* Litigation or the *Veliz* Arbitration.

18 b. As a condition of receiving payment of any portion of the Settlement
19 Proceeds, each Authorized Claimant shall execute an Individual Release. The Individual
20 Release shall be included as part of the Proof of Claim Form, attached hereto as Exhibit
21 D.

22 70. Settling Plaintiffs’ Release: Upon the Effective Date, Cintas and its attorneys-of-
23 record in the *Veliz* litigation shall fully and finally release the Settling Plaintiffs and Plaintiffs’
24 Attorneys, and each of their spouses, heirs, predecessors, successors, and assigns, and their past
25 or present partners, officers, directors, shareholders, employees, agents, principals,
26 representatives, accountants, auditors, consultants, insurers, reinsurers, and their respective
27 successors and predecessors in interest, subsidiaries, parents, and affiliates (“Plaintiff Released
28 Parties”) from all claims, known and unknown, arising out of, relating to, or in connection with

1 the institution, prosecution, assertion, settlement, or resolution of the Settled Actions. Nothing in
2 this Agreement or this Release shall have any effect on Cintas' contractual relationship with, or
3 right to indemnity from, its insurers.

4 71. Release to the Fullest Extent Permitted By Law: Each Settling Plaintiff, shall be
5 deemed to have, and by operation of the Judgment shall have, expressly waived and relinquished,
6 to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the
7 California Civil Code (to the extent it is applicable, or any other similar provision under federal,
8 state or local law to the extent any such provision is applicable), which is quoted below:

9 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
10 WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO
11 EXIST IN HIS OR HER FAVOR AT THE TIME OF
12 EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR
13 HER MUST HAVE MATERIALLY AFFECTED HIS OR HER
14 SETTLEMENT WITH THE DEBTOR.

15 Subject to and in accordance with the provisions of this Agreement, even if the Settling Plaintiff
16 hereafter may discover facts in addition to or different from those which he or she now knows or
17 believes to be true with respect to the subject matter of his or her released claims, each Settling
18 Plaintiff, upon the Effective Date, shall be deemed to have and by operation of the Judgment shall
19 have fully, finally, and forever settled and released any and all of his or her released claims. This
20 is true whether the Settling Plaintiff's released claims are known or unknown, suspected or
21 unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist,
22 or heretofore have existed upon any theory of law or equity now existing or coming into existence
23 in the future, including, but not limited to, conduct which is negligent, intentional, with or without
24 malice, or a breach of any duty, law, or rule, without regard to the subsequent discovery or
25 existence of such different or additional facts.

26 72. Settlement Amount: Subject to Court and Arbitrator approval of this Agreement,
27 and in consideration for the releases described in this Agreement and the enforcement of them,
28 Cintas shall pay, as described more fully below, Twenty-Two Million, Seven Hundred Fifty

1 Thousand Dollars (\$22,750,000.00) to the Settling Plaintiffs to resolve the Settled Actions. The
2 Settlement Amount shall be used: (1) to compensate Settling Plaintiffs, as specified herein; (2) to
3 fund an award of Plaintiffs' Attorneys' Fees and Costs; (3) to fund payment of all payroll taxes
4 properly deductible from payments to Authorized Claimants, but not including Cintas' share of
5 state and federal payroll taxes such as FICA and SDI on the wage payments made to the
6 Authorized Claimants, which Cintas shall pay separately, in addition to the Settlement Amount;
7 (4) to pay all costs of notice and Claims Administration; and (5) to provide Enhancement
8 Payments for certain individuals who Plaintiffs' Attorneys state provided exceptional assistance
9 to them in pursuing the Settled Actions and/or who agreed to be named as putative class
10 representatives in the *Veliz* Litigation or Arbitration. The Settlement Amount shall be distributed
11 in accordance with the terms of this Agreement.

12 73. Approval Required in Both *Veliz* Arbitration and *Veliz* Litigation: Approval of
13 this Settlement will take place in parallel proceedings in the *Veliz* Litigation and in the *Veliz*
14 Arbitration. As set forth in more detail below, Settling Plaintiffs shall apply to the Court for
15 approval of this settlement and for conditional certification of the ERISA Settlement Class and
16 the State Law Classes, to the extent those classes include persons who are not subject to an
17 enforceable arbitration agreement with Cintas. The Settling Plaintiffs shall apply to the Arbitrator
18 for approval of this settlement and conditional certification of the State Classes, to the extent
19 those State Classes include persons who are subject to an enforceable arbitration agreement with
20 Cintas. Cintas shall not oppose Settling Plaintiffs' application for preliminary and final approval
21 of the Settlement. The Parties have entered into a stipulation herewith to an Order that, for
22 settlement purposes, the Honorable Richard Seeborg shall assume jurisdiction over all aspects of
23 the *Veliz* Litigation that heretofore have been before the Honorable Sandra Brown Armstrong,
24 including the settlement of the FLSA Litigation Claims, the ERISA Class and the State Classes,
25 and the MDL Cases, and the confirmation of the Award(s) issued by the Arbitrator approving this
26 Settlement as to the matters before the Arbitrator.

27 74. Dismissal of Claims: Upon the Effective Date, each of the Settled Actions shall be
28 dismissed with prejudice.

1 75. Application for Attorneys' Fees: The Parties agree that the Court, and not the
2 Arbitrator, shall have jurisdiction over any application by Plaintiffs or Plaintiffs' Attorneys for
3 Plaintiffs' Attorneys' Fees and Costs. Plaintiffs' Attorneys represent that they shall file with the
4 Court a single request for attorney's fees of no more than \$6,000,000.00, plus costs of no more
5 than \$720,000, pursuant to 29 U.S.C. §216(b), applicable state law fee-shifting provisions, and/or
6 the equitable common fund doctrine, which shall be subject to Court approval. Plaintiffs'
7 Attorneys' Fees and Costs in an amount to be determined by the Court are to be paid from the
8 Settlement Amount in connection with the Settlement described in this Agreement. Cintas shall
9 not oppose any application by Plaintiffs or Plaintiffs' Attorneys for reasonable attorneys' fees and
10 costs up to Six Million dollars (\$6,000,000.00) plus costs up to \$720,000.

11 76. Taxes on Settlement Payments: All Settlement Payments made to the Authorized
12 Claimants pursuant to this Agreement shall be subject to the withholding by the Claims
13 Administrator of the employees' portion of all applicable local, state and federal income and
14 employment taxes. The Parties agree, however, that no taxes shall be withheld from Plaintiffs'
15 Attorneys' Fees and Costs. Cintas will pay the employer's share of the payroll taxes on any
16 Settlement Payment made to any Authorized Claimant and such amount shall not be withheld
17 from the Settlement Amount by the Claims Administrator.

18 77. Choice to Opt Out of the Settlement: Any Settling Plaintiff may choose to opt out
19 of the Settlement under the procedures set forth in paragraph 93, or such other procedures as may
20 be adopted by the Court. Through these opt-out procedures, a Settling Plaintiff may indicate his
21 or her unwillingness to participate in the Settlement and retain any claims he or she may have.
22 Any such individuals who opt out of the Settlement ("Opt-Out Plaintiffs") shall receive no part of
23 the Settlement Amount. Every Settling Plaintiff who does not properly and timely opt out shall
24 be deemed a Settlement Class Member, whether or not he or she submits an Authorized Claim.

25 78. Parties' Statements About Settlement: Cintas denies that it has engaged in any
26 unlawful activity or has any liability to anyone under the claims asserted in the Settled Actions.
27 Settling Plaintiffs assert that the claims alleged in the Settled Actions are meritorious. The Parties
28 expressly acknowledge that this Agreement is entered into for the purpose of compromise of

1 disputed claims and that nothing herein constitutes an admission of liability or wrongdoing by
2 Cintas. Neither the Agreement nor any document prepared or communication made in connection
3 with the Settlement may be admitted as evidence in any proceeding for any purpose, except that
4 this Agreement may be admitted in evidence and otherwise used in any and all proceedings to
5 enforce the terms of this Agreement, or in defense of any claims released or barred by this
6 Agreement.

7 79. Fair and Reasonable Compromise: The Parties recognize and agree that there is
8 substantial dispute between them as to the value of the Settling Plaintiffs' claims. The Parties
9 hereby agree that the Settlement Amount constitutes a fair and reasonable compromise, which
10 takes into account the various arguments, claims, and defenses of the Parties.

11 80. Claims Administrator's Information is Basis For Calculations: The Parties agree
12 that the information reported by the Claims Administrator pursuant to paragraph 98.a shall
13 provide the basis for calculating the distribution formula for each Authorized Claimant, subject to
14 the procedures set forth in paragraph 100 for correcting errors in information about an Authorized
15 Claimant's Eligible Workweeks or the state(s) in which the Authorized Claimant worked for
16 Cintas.

17 81. Notice/Approval of Settlement and Settlement Implementation: The Parties agree
18 to the procedures set forth in paragraphs 82-117 for obtaining preliminary Court and Arbitrator
19 approval of the Settlement, certifying conditional Settlement Classes, notifying Class Members,
20 obtaining final Court and Arbitrator approval of the Settlement, and distributing the Settlement
21 Proceeds.

22 82. Motions for Preliminary Approval of Class Settlement and Certification of
23 Settlement Classes: On or before November 3, 2010, Settling Plaintiffs shall file this Agreement
24 with the Court and Arbitrator and shall request that the Court and Arbitrator enter an Order and
25 Award, respectively, (1) granting preliminary approval of this Agreement, (2) conditionally
26 certifying the ERISA Settlement Class and the State-Law Classes for Settlement purposes, (3)
27 approving the form and content of the Original Notice, (4) approving the form and content of the
28 Proof of Claim form, (5) appointing the Claims Administrator to carry out the duties set forth

1 herein, (6) preliminarily approving the application for Plaintiffs' Attorneys' Fees and Costs, and
2 (7) adopting the procedure agreed to herein for obtaining final approval of the Settlement. The
3 Parties jointly shall participate in a hearing before the Court and Arbitrator on December 8, 2010,
4 or such date as is set by the Court and Arbitrator to obtain preliminary approval of the Settlement.

5 83. Mailing List to be Provided to Claims Administrator: Within ten (10) business
6 days after preliminary approval of this Agreement by both the Arbitrator and the Court
7 (whichever is later), Cintas shall provide to the Claims Administrator a mailing list of all Settling
8 Plaintiffs setting forth each person's name, social security number, last known mailing address,
9 the first date during the Relevant Limitations Period, if any, that the person was a Route Driver
10 and the last date, if any, during the Relevant Limitations Period, if any, that the person was a
11 Route Driver, and the state or states where the person was so employed, all as reflected in Cintas'
12 payroll databases. Cintas shall also provide a verified statement that the information was
13 gathered by persons in the employ of Cintas or designated by Cintas to act on its behalf and that
14 the information provided correctly reflects what is in Cintas' payroll databases. The Claims
15 Administrator shall reimburse Cintas up to \$10,000.00 out of the Settlement Amount for Cintas'
16 expenses in providing this information to the Claims Administrator, based upon Cintas'
17 presentation of proof of such expenses.

18 84. Mailing List Confidentiality: The Claims Administrator shall keep the mailing list
19 confidential and shall not use the mailing list for any purpose other than carrying out the duties
20 and obligations of the Claims Administrator as set forth in this Agreement.

21 85. Mailing List to Plaintiffs' Counsel: At the same time Cintas provides the list of
22 Settling Plaintiffs to the Claims Administrator, Cintas will also provide a list of Settling Plaintiffs
23 and their last known mailing addresses to Steve Pepich of Robbins Geller Rudman & Dowd LLP.
24 This list shall be identical to the list provided to the Claims Administrator but shall omit the
25 Settling Plaintiffs' social security numbers. Cintas, may, at its option, provide this information in
26 a secure, copy-protected format. Regardless of the format in which this information is provided,
27 Mr. Pepich and his law firm will treat such information as Highly Confidential -- Attorneys' Eyes
28 Only Information under the Stipulated Protective Order re Confidentiality entered in the *Veliz*

1 Litigation. Further, Mr. Pepich and his law firm agree that they will not disclose this information
2 to anyone outside of that law firm or anyone within that law firm who does not have a legitimate
3 need for it in performing the terms of this Agreement and will take all necessary steps to ensure
4 that the information is kept secure. Any person other than Mr. Pepich who gains access to such
5 information will be required to review the Stipulated Protective Order re Confidentiality entered
6 in the *Veliz* Litigation and sign a statement agreeing to be bound by it. Such statements shall be
7 provided to Cintas' counsel when requested by Cintas' counsel.

8 86. Additional Information to Claims Administrator: At the same time Cintas
9 provides the mailing list to the Claims Administrator or as soon as practicable thereafter, the
10 Parties shall provide the Claims Administrator with electronic tables replicating those Exhibits to
11 this Agreement that contain lists of individuals which will be used by the Claims Administrator in
12 carrying out its duties. Further, Plaintiffs' Attorneys may, at their option, provide the Claims
13 Administrator with additional mailing address information for any Settling Plaintiff. Based on
14 the information provided by Cintas and by the Parties jointly, the Claims Administrator shall
15 verify the Proof of Claim Forms for each of the identified Settling Plaintiffs, including their
16 names and information reflecting the Eligible Workweeks and states of employment as reflected
17 in Cintas' records.

18 87. National Change of Address Search: Upon receipt of the mailing list from Cintas,
19 the Claims Administrator shall perform a National Change of Address (NCOA) search in order to
20 ensure that the best available addresses are used in the first mailing of the Original Notice.

21 88. First Mailing:

22 a. No later than 30 days after preliminary approval of the Settlement, the
23 Claims Administrator shall mail the Original Notice, Proof of Claim Form, and Request to
24 Opt Out Form, attached hereto as Exhibits C - E, respectively, to all identified Settling
25 Plaintiffs via first-class regular U.S. Mail using the most current mailing address
26 information available. Exhibits C - E shall also be posted on Plaintiffs Attorneys' website
27 (www.cintasovertime.com).

1 b. The Proof of Claim Form shall include execution copies of the Individual
2 Release and a statement of the steps that the Claimant must take to obtain a Settlement
3 Payment, including all applicable deadlines, as set forth in Exhibits C and E.

4 89. Potential Claimants Not Identified in Mailing List: If the Claims Administrator is
5 asked to send a Proof of Claim Form to an individual whose name was not on the list of Settling
6 Plaintiffs provided by Cintas, the Claims Administrator shall mail that person a copy of the
7 Original Notice, Proof of Claim Form, and Request to Opt Out Form via first class mail. Upon
8 receipt of a Proof of Claim Form from such a person, the Claims Administrator shall follow the
9 procedures set forth in Paragraph 101 below regarding unsolicited Proofs of Claim.

10 90. Returned Mailing: If a mailed Original Notice is returned because of an incorrect
11 address, the Claims Administrator shall have fifteen (15) days from receipt of such returned
12 Original Notice to search for a more current address for the Settling Plaintiff and shall re-mail the
13 Original Notice form if a new address is obtained. If such new address information is obtained
14 within fifteen (15) days, the Claims Administrator shall promptly forward the Original Notice to
15 the addressee via first-class regular U.S. Mail indicating on the Original Notice the date when it
16 was re-mailed, and shall notify counsel for Cintas and Plaintiffs' Attorneys of the date of each re-
17 mailing. If such new address information cannot be obtained within fifteen (15) days, the Claims
18 Administrator shall have no further obligation to search for new address information. All Settling
19 Plaintiffs shall have until the end of the Claims Period to submit a Proof of Claim Form or
20 Request to Opt Out Form. The Claims Administrator shall advise Plaintiffs' Attorneys and
21 counsel for Cintas in writing of notices returned for an incorrect address and shall similarly advise
22 Plaintiffs' Attorneys and counsel for Cintas in writing of the date(s) it sends out a new notice to
23 such Settling Plaintiff(s).

24 91. Notice Deemed Mailed and Received if Not Returned: If after the first mailing
25 described in Paragraph 88 above, the documents mailed are not returned to the Claims
26 Administrator as undeliverable, those documents will be deemed mailed and received by the
27 Settling Plaintiff to whom they were addressed. For those Settling Plaintiffs for whom a
28 subsequent mailing or mailings is required under Paragraph 90, above, the documents will be

1 deemed mailed and received to the Settling Plaintiff if they are not returned to the Claims
2 Administrator as undeliverable after such subsequent mailing.

3 92. Procedures for Objecting to Settlement: The procedures for objecting to the
4 Settlement are as follows:

5 a. Settling Plaintiffs who wish to object to the Settlement must file with the
6 Court and serve on counsel for all Parties either a written statement objecting to the
7 Settlement or a written notice of intention to appear at the Final Settlement Hearing to
8 object. Such written statement or notice must be filed with the Court and served no later
9 than 90 days after the date the Claims Administrator first mails the Original Notice to
10 Settling Plaintiffs. (This deadline is referred to herein as the “Objection/Opt-Out Deadline
11 Date.”)

12 b. Settling Plaintiffs who fail to file and serve timely written objections or
13 notice of intention to appear and object in the manner specified above shall be deemed to
14 have waived any objections and shall be foreclosed from making any objection (whether
15 by appeal or otherwise) to the Settlement.

16 c. Service of an objection or notice of intention to appear does not operate as
17 a request to be excluded from settlement. Any person who wishes to opt out of this
18 Settlement must submit a Request to Opt Out Form, in the manner described in Paragraph
19 93.

20 93. Procedures for Requesting to Opt Out: The procedures for requesting to opt out of
21 the Settlement are as follows:

22 a. Settling Plaintiffs who wish to opt out of the Settlement must submit to the
23 Court and the Parties’ counsel a Request to Opt Out Form, attached as Exhibit E, which
24 contains places for the Settling Plaintiff requesting to opt out to insert his or her name,
25 address, Social Security number, and the dates of his or her employment by Cintas.

26 b. The Request to Opt Out Form must be sent by certified mail with return
27 receipt requested to the Claims Administrator and must be postmarked on or before the
28 Objection/Opt-Out Deadline Date. Settling Plaintiffs who fail to file and serve a valid and

1 timely request to opt out on or before the Objection/Opt-Out Deadline Date shall be bound
2 by all terms of the Settlement and any Judgment entered in this Litigation if the Settlement
3 is approved by the Court, regardless of whether they have objected to the Settlement.

4 c. The Claims Administrator shall provide the Parties' counsel a copy of all
5 validly executed Requests to Opt Out within ten (10) days of the Claims Administrator's
6 receipt of such forms.

7 d. No later than seven (7) days after the close of the Claims Period, the
8 Claims Administrator shall provide Plaintiffs' Attorneys and counsel for Cintas with a
9 complete and accurate list of all Settling Plaintiffs who have timely requested to opt out of
10 the Settlement.

11 94. Final Settlement Hearing, Brief or Briefs and Related Submissions, Final Approval
12 by Court and Arbitrator:

13 a. The Parties shall jointly request that the Court and Arbitrator set Final
14 Settlement Hearings within forty-five (45) days after the close of the Claims Period. If
15 practicable, the Parties will schedule the Final Settlement Hearing in the *Veliz* Litigation
16 to be held simultaneously with the Final Settlement Hearing in the *Veliz* Arbitration.

17 b. No later than thirty-five (35) days before the dates set for the Final
18 Settlement Hearings, the Settling Plaintiffs shall file memoranda of points and authorities
19 in support of the Settlement with the Court and Arbitrator, respectively.

20 c. At its option, Cintas may file memoranda of points and authorities
21 addressing any aspect of the Settlement with the Court or Arbitrator no later than twenty-
22 one (21) days before the dates set for the Final Settlement Hearings. Cintas' memoranda
23 of points and authorities, if any, shall not oppose the final approval of the settlement by
24 the Court and the Arbitrator.

25 d. All requests to opt out of the Settlement Classes and all written objections
26 to the Settlement and/or notices of intention to appear and object shall be filed with the
27 Court and Arbitrator and served on Cintas' counsel by Plaintiffs' Attorneys no later than
28 ten (10) days before the Final Settlement Hearings.

1 e. At the Final Settlement Hearing in the *Veliz* Litigation, the Parties will
2 request that the Court issue an Order Granting Final Approval of Class Action Settlement
3 giving its final approval to the Settlement, which shall be contingent upon the Arbitrator
4 issuing a final award in the *Veliz* Arbitration approving the Settlement and confirmation of
5 that award by the Court.

6 f. At the Final Settlement Hearing in the *Veliz* Arbitration, the Parties will
7 request that the Arbitrator issue a Final Award Granting Final Approval of Class Action
8 Settlement, which shall give his final approval to the Settlement.

9 95. Judgment After Final Approval of Settlement: As soon as practicable after the
10 issuance of both the Order Granting Final Approval of Class Action Settlement and the Final
11 Award Granting Final Approval of Class Action Settlement, the Parties shall request that the
12 Court confirm the Final Award Granting Final Approval of Class Action Settlement pursuant to 9
13 U.S.C. §9 and enter a judgment (“Judgment”) in the form attached hereto as Exhibit F. After
14 entry of the Judgment, the Court shall have continuing jurisdiction over the Parties and the
15 Settling Plaintiffs solely for purposes of (i) enforcing this Agreement, (ii) addressing any
16 Settlement administration matters, and (iii) addressing such post-Judgment matters (if any) as
17 may be appropriate under court rules or applicable law.

18 96. Settlement Conditional and Voidable:

19 a. If the Court or Arbitrator declines to approve any material term of this
20 Agreement, refuses to certify conditionally any Settlement Class, fails to grant final
21 approval of the Settlement, or for any reason decides not to enter an Award and/or
22 Judgment fully adopting the material terms of this Agreement, Cintas may elect to void
23 this Agreement and the Settled Actions shall continue as though no settlement had taken
24 place.

25 b. If more than seven and one-half percent (7.5%) of the Settling Plaintiffs
26 become Opt-Out Plaintiffs under the procedure set forth in paragraph 93 or any other
27 procedure required by the Court, Cintas shall have the option of declaring this Agreement
28 null and void if it does so no later than fourteen (14) days after receiving the report of the

1 Claims Administrator regarding the number of Opt-Out Plaintiffs pursuant to Paragraph
2 93.c, by serving written notice of Cintas' election to nullify and avoid the Agreement on
3 Plaintiffs' Attorneys, the Court, and the Arbitrator by e-mail and overnight delivery.

4 c. If this Agreement is voided under any of the circumstances set forth above,
5 Cintas shall be entitled to refund of the Settlement Amount; except for any amounts
6 already expended for notice and Claims Administration.

7 97. No Solicitation of Requests to Opt Out: The Parties agree that neither they nor
8 their counsel nor any of their agents nor any of their counsel's agents nor anyone acting in concert
9 with any of the Parties or any of their counsel or any of their agents shall solicit or otherwise
10 encourage directly or indirectly any Settling Plaintiff to request to opt out of the Settlement,
11 object to the Settlement, or appeal from the Court's Judgment.

12 98. Procedure for Distributing Settlement Proceeds:

13 a. As a condition of receiving any Settlement Payment, and before receiving
14 such payment, each Claimant must submit a Proof of Claim Form in the form attached as
15 Exhibit D, and in the manner set forth in this paragraph 98. The Proof of Claim Form
16 mailed to each FLSA Plaintiff or State Law Class Member shall state the number of
17 Eligible Workweeks, and state(s) in which he or she was employed by Cintas, as reflected
18 in Cintas' records furnished to the Claims Administrator. Claimants must follow the
19 procedures set forth in this paragraph 98 to submit a Proof of Claim or must follow the
20 procedures set forth in paragraph 100 to object to the information contained in the Proof
21 of Claim Form.

22 b. To receive any portion of the Settlement Amount, except an FLSA
23 Minimum Payment, an eligible Claimant must complete, sign, and mail the Proof of
24 Claim Form to the Claims Administrator by the end of the Claims Period which shall be
25 specifically stated in the Original Notice and the Proof of Claim Form. The Proof of
26 Claim form shall be signed under penalty of perjury.

27 c. Proof of Claim forms may be sent to the Claims Administrator by first
28 class mail. For any Claimant who chooses to send his or her Proof of Claim Form by

1 certified mail, the date of the certified mailing shall serve as conclusive proof of the date
2 the Claim was sent to the Claims Administrator.

3 99. Defective Proof of Claim, Opportunity to Cure: If a timely but incomplete or
4 defective Proof of Claim Form is received by the Claims Administrator, the Claimant shall be
5 given an opportunity to cure the defect(s). The Claims Administrator shall return any such
6 defective Proof of Claim Form within fifteen (15) days after receiving it. The Claimant shall be
7 informed of the defect(s) and shall be given fifteen (15) days from the date the Claims
8 Administrator mailed the Proof of Claim Form back to the Claimant within which to cure the
9 defect(s) and resubmit the Proof of Claim Form to the Claims Administrator. If the revised Proof
10 of Claim Form is not submitted within that fifteen (15) day period, it shall be deemed untimely
11 and it will be rejected by the Claims Administrator. After expiration of that fifteen (15) day
12 period, the Claims Administrator shall send a Notice of Denied Claim to any Claimant who
13 submitted a Proof of Claim Form that was not timely and/or was defective and/or did not
14 demonstrate entitlement to a Settlement Payment, stating the reason the Claim was denied and
15 stating that the Claimant has fifteen (15) days to challenge the denial of the Claim.

16 100. Procedure for Objecting to Proof of Claim Form:

17 a. Any Claimant shall be entitled to submit an objection to the information set
18 forth on his or her Proof of Claim Form, which must specify the grounds for the objection,
19 but only as to the number of Eligible Workweeks, position(s) held, or state(s) of Cintas
20 employment as stated in the Proof of Claim Form received by that Claimant (for example,
21 the Claimant shall be entitled to object to the number of his or her Eligible Workweeks as
22 stated on the Proof of Claim Form).

23 b. Any objection permitted pursuant to paragraph 100.a must specify the
24 grounds for objection and must be mailed to the Claims Administrator by certified mail
25 with return receipt requested, postmarked on or before the Objection/Opt-Out Deadline
26 Date. Upon receipt of any such objection, the Claims Administrator shall promptly serve
27 Plaintiffs' Attorneys and counsel for Cintas with a copy of the objection.
28

1 c. The Claims Administrator will evaluate the evidence submitted by the
2 Claimant and will make a final, binding determination based on its evaluation of the
3 evidence.

4 101. Unsolicited Proof of Claim: Nothing in this Agreement shall prevent a person
5 from submitting a Proof of Claim Form, even though he or she was not identified as a Settling
6 Plaintiff by Cintas, as long as such individual is in fact encompassed within the definition of
7 Settling Plaintiffs as set forth herein. Upon receipt of a Proof of Claim from a person not
8 identified as a Settling Plaintiff by Cintas, the Claims Administrator shall notify the Parties'
9 Counsel and provide them copies of that person's Proof of Claim. If such claim is challenged by
10 any Party, the Claims Administrator may deny such claim unless the person making such claim is
11 able to satisfy the Claims Administrator that he or she worked as a Route Driver for Cintas within
12 the time periods established by this Agreement.

13 102. Distribution of the Settlement Proceeds, ERISA Settlement Fund, and FLSA
14 Minimum Payments: The Settlement Proceeds, ERISA Settlement Fund, and FLSA Minimum
15 Payments shall be distributed in accordance with paragraphs 104-109.

16 103. Opt-Out Plaintiffs: Opt-Out Plaintiffs are not entitled to any Settlement Payments.

17 104. FLSA Minimum Payments: Each FLSA Plaintiff shall receive an FLSA Minimum
18 Payment in addition to any other Settlement Payment and/or payment from the ERISA Settlement
19 Fund for which he or she may be eligible pursuant to this Agreement, and regardless of whether
20 he or she files a Proof of Claim pursuant to this Agreement. An FLSA Plaintiff who does not file
21 a Proof of Claim shall receive only an FLSA Minimum Payment.

22 105. ERISA Settlement Fund: \$300,000 (three hundred thousand dollars) shall be set
23 aside from the Settlement Amount to compensate Settling Plaintiffs for their claims brought under
24 ERISA. Each Settling Plaintiff shall be entitled to make a claim for a payment from the ERISA
25 Settlement Fund. Each Authorized Claimant's payment from the ERISA Settlement Fund shall
26 be determined by dividing the amount in the ERISA Settlement Fund by the number of
27 Authorized Claimants. Payments from the ERISA Settlement Fund shall be in addition to any
28 other amounts to which the Authorized Claimant is entitled pursuant to this Agreement.

1 a. Authorized Claimants: Each Authorized Claimant's Settlement Payment
2 shall be calculated by using the formula(s) set forth in paragraphs 34, 104-107.

3 b. The total paid to each person entitled to an Enhancement Payment shall
4 include his or her Settlement Payment, as calculated herein, plus his or her Enhancement
5 Payment of \$2,500 or \$1,000, FLSA Minimum Payment, and payment from the ERISA
6 Settlement Fund.

7 106. Settlement Formula: Each Authorized Claimant's Settlement Payment shall be
8 calculated by:

- 9 a. Determining each Authorized Claimant's Point Share;
10 b. Adding the Point Shares of all Authorized Claimants to determine the Total
11 Points;
12 c. Calculating the Authorized Claimant's Percentage Share of the Total Points
13 by dividing the Authorized Claimant's Point Share by the Total Points; and
14 d. Computing the Authorized Claimant's Settlement Payment by multiplying
15 his or her Percentage Share by the Settlement Proceeds.

16 107. Settlement Point Allocation: The Point Share allocated to any Authorized
17 Claimant shall be calculated as follows:

- 18 a. For any Authorized Claimant, the following Points shall be allocated:
19 (1) One (1) Settlement Point for each Eligible Workweek from March
20 19, 1999 up to and including December 31, 2000 that the Authorized Claimant
21 worked for Cintas in California.
22 (2) Four (4) Settlement Points for each Eligible Workweek from
23 January 1, 2001 through June 1, 2002 that the Authorized Claimant worked for
24 Cintas in California.
25 (3) Ten (10) Settlement Points for each Eligible Workweek from June
26 2, 2002 through May 31, 2003 that the Authorized Claimant worked for Cintas in
27 California.
28 (4) Seven (7) Settlement Points for each Eligible Workweek on or after

1 June 1, 2003 that the Authorized Claimant worked for Cintas in California.

2 (5) Nine (9) Settlement Points for each Eligible Workweek before June
3 1, 2004 that the Authorized Claimant worked for Cintas in Washington.

4 (6) Six (6) Settlement Points for each Eligible Workweek on or after
5 June 1, 2004 that the Authorized Claimant worked for Cintas in Washington.

6 (7) Five (5) Settlement Points for each Eligible Workweek before
7 June 1, 2004 that the Authorized Claimant worked for Cintas in Kentucky, Maine,
8 Minnesota, or Wisconsin, so long as the Authorized Claimant did *not* cross state
9 lines when driving his or her regularly scheduled route(s).

10 (8) Three-and-one-half (3.5) Settlement Points for each Eligible
11 Workweek from June 1, 2004 through July 31, 2005 that the Authorized Claimant
12 worked for Cintas in Kentucky, Maine, Minnesota, or Wisconsin, so long as the
13 Authorized Claimant did *not* cross state lines when driving his or her regularly
14 scheduled route(s).

15 (9) Four (4) Settlement Points for each Eligible Workweek on or after
16 August 1, 2005 that the Authorized Claimant worked for Cintas in Kentucky,
17 Maine, Minnesota, or Wisconsin.

18 (10) Two (2) Settlement Points for each Eligible Workweek that the
19 Authorized Claimant worked for Cintas before August 1, 2005 in Kentucky,
20 Maine, Minnesota, or Wisconsin and crossed state lines when driving his or her
21 regularly scheduled route(s).

22 (11) Six (6) Settlement Points for each Eligible Workweek before
23 June 1, 2004 that the Authorized Claimant worked for Cintas in Colorado, New
24 Jersey or New Mexico.

25 (12) Three (3) Settlement Points for each Eligible Workweek on or after
26 June 1, 2004 that the Authorized Claimant worked for Cintas in Colorado, New
27 Jersey or New Mexico.

28 (13) One-half (0.5) Settlement Point for each Eligible Workweek that

1 the Authorized Claimant worked for Cintas in Indiana, Missouri, or West Virginia.

2 (14) Three (3) Settlement Points for each Eligible Workweek before
3 June 1, 2004 that the Authorized Claimant worked for Cintas in any state other
4 than those mentioned in paragraph 107.a.(1)-(13), so long as the Authorized
5 Claimant did *not* cross state lines when driving his or her regularly scheduled
6 route(s).

7 (15) One-and-one-half (1.5) Settlement Points for each Eligible
8 Workweek from June 1, 2004 through July 31, 2005 that the Authorized Claimant
9 worked for Cintas in any state other than those mentioned in paragraph 107.a.(1)-
10 (13), so long as the Authorized Claimant did *not* cross state lines when driving his
11 or her regularly scheduled route(s).

12 (16) Two (2) Settlement Points for each Eligible Workweek on or after
13 August 1, 2005 that the Authorized Claimant worked for Cintas in any state other
14 than those mentioned in paragraph 107.a.(1)-(13).

15 (17) In addition to what is set forth in paragraph 107.a(1)-(16) above,
16 one-half (0.5) Settlement Point per Eligible Workweek on or after August 1, 2005
17 for all Authorized Claimants.

18 b. In addition to the Points allocated in paragraph 107.a, Authorized
19 Claimants shall be allocated the following Points:

20 (1) Two (2) Settlement Points per Eligible Workweek if the Authorized
21 Claimant is a person identified in paragraph 40 and Exhibit B and was not required
22 to arbitrate their claim;

23 (2) One (1) Settlement Point per Eligible Workweek if the Authorized
24 Claimant is a person identified in paragraph 40 and Exhibit B and was required to
25 arbitrate their claim, including those who crossed state lines on their regularly
26 schedule route(s); and

27 (3) For any Authorized Claimant who is not identified in paragraph 40,
28 one-half (0.5) Settlement Points per Eligible Workweek that the Authorized

1 Claimant worked in Connecticut, Illinois, Kansas, Kentucky, Maine, Maryland,
2 Massachusetts, Minnesota, New York, Ohio, Oregon, Pennsylvania, or Wisconsin
3 and crossed state lines when driving his or her regularly scheduled route(s) for
4 Cintas in that state.

5 c. In addition to any Settlement Payment to which he or she is entitled under
6 the formula described in paragraph 107, each Authorized Claimant shall also receive a
7 payment from the ERISA Settlement Fund pursuant to paragraph 105.

8 108. The Claims Administrator shall make the Settlement Payments to each Authorized
9 Claimant no later than ten (10) days after the Effective Date.

10 109. Check Cashing Period: Checks issued to Settling Plaintiffs under this Agreement
11 shall be valid for 120 days from the date of issuance, shall be so marked, and shall be invalid after
12 the expiration of the 120-day period. In the event any Settling Plaintiff fails to cash his or her
13 check within this 120 day period, that person will be deemed to have irrevocably waived any right
14 in or claim to any payment under this Agreement, but this Agreement will nevertheless be
15 binding upon such a person.

16 110. Funding of the Settlement: Cintas shall deposit the Settlement Amount into an
17 interest-bearing escrow account held by the Claims Administrator within ten (10) days after
18 Preliminary Approval of the Class Settlement. Until the Effective Date, no portion of the
19 Settlement Amount or interest accrued thereon may be used for any purpose except for notice to
20 the Settling Plaintiffs and Claims Administration as set forth in paragraphs 87-88, 90 and 116;
21 provided, however, that Plaintiffs' Attorneys may receive Plaintiffs' Attorneys' Fees and Costs
22 pursuant to the bonding provisions of paragraph 113. All interest that accrues on the Settlement
23 Amount pending distribution as set forth in this Agreement shall be distributed *pro rata* to the
24 Authorized Claimants and Plaintiffs' Attorneys' Fees and Costs.

25 111. Unclaimed Funds:

26 a. Except as provided in this paragraph 111 and paragraph 83, no portion of
27 the Settlement Amount or interest accrued thereon shall revert to Cintas unless an appeal
28 is taken from the Judgment that results in the reversal of the Judgment and the resumption

1 of the litigation. If the Judgment is reversed on appeal and litigation resumes, the
2 Settlement Amount shall revert to Cintas, together with all interest that has accrued
3 thereon, except for such amounts that have been expended for purposes of notice to the
4 Settling Plaintiffs and Claims Administration.

5 b. If any portion of the Settlement Amount remains after payment of all
6 Settlement Payments, costs of Claims Administration, and Plaintiffs' Attorneys' Fees and
7 Costs, as calculated herein (for example, if the Settlement Payments to certain Authorized
8 Claimants are returned as undeliverable and the Claims Administrator through diligent
9 efforts is unable to locate the Authorized Claimant), the remainder shall be paid by the
10 Claims Administrator as a *cy pres* payment fifty percent (50%) of which shall be paid to
11 the National Employment Law Project and fifty percent (50%) of which shall be paid to
12 the National Urban League.

13 112. No Admission of Class Certification: The Settling Plaintiffs, Plaintiffs' Attorneys,
14 and Cintas and its counsel, agree to the conditional certification of the ERISA Settlement Class
15 and the State Law Classes identified in this Agreement for the sole purpose of effectuating this
16 Settlement. If the Settlement does not become final and the Judgment is not entered as set forth
17 in Exhibit F hereto, the fact that the Parties were willing to stipulate to class certification as part
18 of the Settlement shall have no bearing on, and shall not be admissible in connection with, the
19 issue of whether a class should be certified in a non-settlement context in the Settled Actions and
20 Cintas expressly reserves the right to oppose class certification.

21 113. Subject to Court approval, Six Million Dollars (\$6,000,000.00) plus any interest
22 accrued thereon shall be paid from the Settlement Amount to Plaintiffs' Attorneys as the total
23 attorneys' fees, and an additional Seven Hundred Twenty Thousand Dollars (\$720,000.00), shall
24 be paid from the Settlement Amount to Plaintiffs' Attorneys as the total costs. At the sole option
25 of Plaintiffs' Attorneys, Plaintiffs' Attorneys' Fees and Costs may be paid directly to Plaintiffs'
26 Attorneys by the Claims Administrator at any time after the Settlement is funded pursuant to
27 paragraph 110, or at any time thereafter and before the Effective Date, provided that this amount
28 shall be secured by a bond for the full amount of Plaintiffs' Attorneys' Fees and Costs to cover

1 the possibility that the Settlement may not be finally approved, or the full amount requested as
2 Plaintiffs' Attorneys' Fees and Costs is not approved by the Court. The cost of any such bond
3 shall be borne solely by Plaintiffs' Attorneys and shall not be paid from the Settlement Amount.
4 If Plaintiffs' Attorneys do not post a bond as set forth in this paragraph, Plaintiffs' Attorneys'
5 Fees and Costs shall be paid to Plaintiffs' Attorneys within ten (10) days after the Effective Date,
6 but in no event less than twenty (20) days after the Court has approved the final amount of
7 Plaintiffs' Attorneys' Fees and Costs to be paid to Plaintiffs' Attorneys.

8 114. Notices: Unless otherwise specifically provided herein, all notices, demands or
9 other communications given hereunder shall be in writing and shall be deemed to have been duly
10 given as of the third business day after mailing by United States mail, addressed as follows:

11 **To the Settlement Class or any Settling Plaintiff:**

12 Steven W. Pepich (S.B. No. 116086)
13 James A. Caputo (S.B. No. 120485)
14 ROBBINS GELLER RUDMAN & DOWD LLP
15 655 West Broadway, Suite 1900
16 San Diego, CA 92101
17 (619) 231-1058 – Office
18 (619) 231-7423 – Fax

19 **To the Defendant:**

20 Mark C. Dosker (S.B. No. 114789)
21 Michael W. Kelly (S.B. No. 214038)
22 SQUIRE, SANDERS & DEMPSEY L.L.P.
23 275 Battery Street, Suite 2600
24 San Francisco, CA 94111
25 Telephone: 415/954-0200
26 Fax: 415/393-9887

27 115. Waiver of Appeal Rights: The Settling Plaintiffs, Cintas, Plaintiffs' Attorneys,
28 and all attorneys for Cintas hereby waive any and all rights to appeal the Court's Judgment, this
waiver being contingent upon the Court entering a Judgment that is consistent with the terms set
forth in this Agreement; except that Plaintiffs' Attorneys do not waive any right they may have to
appeal any denial or reduction in the requested Plaintiffs' Attorneys' Fees or costs awarded,
pursuant to paragraph 117. This waiver includes waiver of all rights to any post-judgment
proceeding and appellate proceeding, including but not limited to, motions to vacate judgment,

1 motions for new trial, motions under California Code of Civil Procedure §473, and extraordinary
2 writs. The waiver does not include any waiver of the right to oppose any appeal, appellate
3 proceedings, or post-judgment proceedings, if any. This waiver does not include a waiver of the
4 appeal rights of any Settling Plaintiff who timely and properly objects to the Settlement as set
5 forth in paragraph 92.

6 116. Duties of the Claims Administrator: Any disputes relating to the Claims
7 Administrator's ability and need to perform its duties shall be referred to the Court, if they cannot
8 be resolved by the Parties with the assistance of the Mediator. The Claims Administrator shall
9 regularly report to the Parties, in written form when requested, the substance of the work
10 performed, the basis for any denial of a Claim, and the total amount of Claims submitted and
11 paid. The Claims Administrator's approval and denial of Claims shall be conclusive and binding
12 on all Claimants and Parties, as set forth in paragraph 100, and may not be appealed to the Court
13 or Arbitrator for any reason. All of the fees and costs incurred by the Claims Administrator in
14 giving notice to Settling Plaintiffs by mail shall be paid out of the Settlement Amount. All fees
15 and costs of claims administration incurred in the disbursement of the Settlement Proceeds shall
16 also be paid out of the Settlement Amount.

17 117. Effect of Appeal of Court Order Reducing Plaintiffs' Attorneys' Fees and Costs:

18 a. Any decision of the Court denying or reducing the amount awarded for
19 Plaintiffs' Attorneys' Fees and Costs shall not entitle either Party to withdraw from this
20 Settlement, and any appeal thereof by Plaintiffs' Attorneys shall not otherwise affect the
21 finality of the Court's order granting final approval of the Settlement. Any such appeal by
22 Plaintiffs' Attorneys shall not delay the distribution of Settlement Payments to the Settling
23 Plaintiffs pursuant to paragraph 102.

24 b. In the event that Plaintiffs' Attorneys appeal the Court's attorneys' fees
25 decision, the amount of fees approved by the Court and not in dispute shall be distributed
26 to Plaintiffs' Attorneys as set forth in this Agreement. The difference between the amount
27 allocated in this Agreement to Plaintiffs' Attorneys' Fees and Costs, and the amount
28 awarded by the Court, will be held in escrow by the Claims Administrator pending the


1 disposition of any such appeal. If Plaintiffs' Attorneys have secured a bond for the full
2 amount of Plaintiffs' Attorneys' Fees and Costs pursuant to paragraph 113, Plaintiffs'
3 Attorneys may retain the full amount of Plaintiffs' Attorneys' Fees and Costs pending
4 resolution of the appeal, subject to repayment to the Claims Administrator of any amount
5 of non-awarded fees or costs after the resolution of the appeal.

6 c. In the event that after any such appeal, Plaintiffs' Attorneys are awarded
7 less than the requested amount of Plaintiffs' Attorneys' Fees and Costs, non-awarded fees
8 or costs shall not revert to Cintas. The non-awarded fees and costs, if any, shall be
9 distributed pro rata to the Authorized Claimants as a secondary distribution based solely
10 on the Settlement Point allocations in paragraph 107. The costs of such secondary
11 distribution shall be deducted from the non-awarded fees or costs. If the non-awarded
12 fees and costs are less than \$100,000, that amount shall be added to any *cy pres*
13 distribution pursuant to paragraph 111.b.

14 118. Entire Agreement: After this Agreement is signed and delivered by all Parties and
15 their attorneys of record, this Agreement and its attached Exhibits shall constitute the entire
16 agreement among the Parties relating to settlement of the Settled Actions and the causes of action
17 and defenses asserted therein, and it shall then be deemed that no oral representations, warranties,
18 or inducements have been made to any party concerning this Agreement or its Exhibits other than
19 the representations, warranties, and covenants expressly stated in this Agreement and its Exhibits.

20 119. Cooperation, Dispute Resolution: The Parties and their counsel shall cooperate
21 with each other and use their best efforts to effect the implementation of the Settlement. In the
22 event the Parties are unable to reach agreement on the form or content of any document needed to
23 implement the Agreement, or on any supplemental provisions that may become necessary to
24 effectuate the terms of this Agreement, the Parties agree to submit the issue to the Mediator for
25 final and binding arbitration, or if the Mediator is not available, to such other mutually agreeable,
26 neutral third party. All such documents, supplemental provisions and assistance provided by the
27 Mediator shall be consistent with this Agreement.

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By: 
Michael Rubin
Attorneys for Plaintiffs

DATED: _____, 2010

ROBBINS GELLER RUDMAN & DOWD LLP

By: _____
Steven W. Pepich
Attorneys for Plaintiffs

DATED: _____, 2010

TRABER & VOORHEES

By: _____
Theresa M. Traber
Attorneys for Plaintiffs

DEFENDANTS AND DEFENDANTS' COUNSEL

DATED: _____, 2010

CINTAS CORPORATION

By: _____
Its: _____

DATED: _____, 2010

PLAN ADMINISTRATOR FOR THE CINTAS PARTNERS' PLAN

By: _____
Plan Administrator

DATED: _____, 2010

SQUIRE, SANDERS & DEMPSEY L.L.P.

By: _____
Mark C. Dosker
Attorneys for Defendants
Cintas Corporation and the Plan
Administrator for the Cintas Partners' Plan

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By: _____
Michael Rubin
Attorneys for Plaintiffs

DATED: _____, 2010

ROBBINS GELLER RUDMAN & DOWD LLP

By: *Keith Rubin for Steve Pepich by permission*

Steven W. Pepich
Attorneys for Plaintiffs

DATED: _____, 2010

TRABER & VOORHEES

By: _____
Theresa M. Traber
Attorneys for Plaintiffs

DEFENDANTS AND DEFENDANTS' COUNSEL

DATED: _____, 2010

CINTAS CORPORATION

By: _____
Its: _____

DATED: _____, 2010

PLAN ADMINISTRATOR FOR THE CINTAS PARTNERS' PLAN

By: _____
Plan Administrator

DATED: _____, 2010

SQUIRE, SANDERS & DEMPSEY L.L.P.

By: _____
Mark C. Dosker
Attorneys for Defendants
Cintas Corporation and the Plan
Administrator for the Cintas Partners' Plan

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By: _____
Michael Rubin
Attorneys for Plaintiffs

DATED: _____, 2010

ROBBINS GELLER RUDMAN & DOWD LLP

By: _____
Steven W. Pepich
Attorneys for Plaintiffs

DATED: Nov. 1, 2010

TRABER & VOORHEES

By: _____
Theresa M. Traber
Attorneys for Plaintiffs

DEFENDANTS AND DEFENDANTS' COUNSEL

DATED: _____, 2010

CINTAS CORPORATION

By: _____
Its: _____

DATED: _____, 2010

PLAN ADMINISTRATOR FOR THE CINTAS PARTNERS' PLAN

By: _____
Plan Administrator

DATED: _____, 2010

SQUIRE, SANDERS & DEMPSEY L.L.P.

By: _____
Mark C. Dosker
Attorneys for Defendants
Cintas Corporation and the Plan
Administrator for the Cintas Partners' Plan

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By: _____
Michael Rubin
Attorneys for Plaintiffs

DATED: _____, 2010

ROBBINS GELLER RUDMAN & DOWD LLP

By: _____
Steven W. Pepich
Attorneys for Plaintiffs

DATED: _____, 2010

TRABER & VOORHEES

By: _____
Theresa M. Traber
Attorneys for Plaintiffs

DEFENDANTS AND DEFENDANTS' COUNSEL

DATED: November 1, 2010

CINTAS CORPORATION

By: Thomas E. Freeman
Its: Thomas E. Freeman

DATED: November 2, 2010

PLAN ADMINISTRATOR FOR THE CINTAS PARTNERS' PLAN

By: Michael A. Hornack
Plan Administrator

DATED: November 3, 2010

SQUIRE, SANDERS & DEMPSEY L.L.P.

By: Mark C. Dosker
Mark C. Dosker
Attorneys for Defendants
Cintas Corporation and the Plan
Administrator for the Cintas Partners' Plan