

**FIRST ADDENDUM TO
JOINT STIPULATION AND
CLASS ACTION SETTLEMENT AGREEMENT**

Patrick O’Beirne, et al. v. Copier Source, Inc., etc., et al.
(Orange County Superior Court, Case Number 30-2015-00801066-CU-EXE-CXC)

This Addendum (“Addendum”) to the Joint Stipulation and Class Action Settlement Agreement (“Settlement Agreement”) is entered into by and between Plaintiffs Patrick O’Beirne and William Girbes-Pierce (“Plaintiffs”), individually and on behalf of all others similarly situated, and Defendant Copier Source, Inc., dba Image Source (“Defendant”) (hereinafter collectively referred to as “the Parties”), by and through their respective counsel, subject to the final approval of the Superior Court of the State of California for the County of Orange (“Court”) and the terms and conditions set forth herein.

RECITALS

- (1) On or around January 25, 2016, the Parties entered into the Settlement Agreement subject to preliminary approval thereof from the Court.
- (2) On March 16, 2016, the Court issued a Tentative Ruling, raising a number of issues and/or corrections with the Settlement Agreement and Notice of Proposed Class Action Settlement and Final Approval Hearing (“Class Notice”). During the Court hearing on the same day, the Parties discussed each of the issues with the Court and, based thereon, have made modifications to the Settlement Agreement to address the Court’s concerns.
- (3) **NOW THEREFORE**, in consideration of the recitals listed above and the terms and conditions set forth below, the Parties agree to modify the Settlement Agreement as follows:

AGREEMENT

1. **Section 4.4.2** of the Settlement Agreement shall be amended to include the following bolded language at the end of the section:

“4.4.2 Previously Paid Settlement Amounts. Class Members who have previously received settlement amounts shall have their prior paid amounts treated as credits and offsets to their allocated portions of the Net Settlement Amount. Specifically, any and all prior settlement payments made by Defendant to members of Subclasses #2 or #4, as described in paragraph 1.36 for mileage reimbursements, shall be treated as an offset against their particular Settlement Shares; thus, if their pro rata weighted Weeks Worked amount due under this agreement exceeds the amount that they previously received for reimbursement payments, they will receive the difference between their Settlement Share minus the amount that they previously received. On the other hand, if the amount that they previously received exceeds the amount that they would be entitled to under this agreement, then those members of Subclasses #2 or #4 will receive no additional amount as a Settlement Share under this agreement. **Any funds treated as credits and/or offsets pursuant to this section shall be reallocated to the remaining Class Members pursuant to Section 4.4.1 above.”**

2. Sums from all uncashed settlement checks shall be distributed to the California Secretary of State’s Unclaimed Property Fund rather than a *cy pres* beneficiary. Accordingly, all references to the “*cy pres*” or “the *cy pres* beneficiary” in the Settlement Agreement with regards to uncashed checks (i.e. **Sections 4.3, 5.4(c), and 9.1**) shall be altered to “the California Secretary of State’s Unclaimed Property Fund.” Accordingly:

Section 4.3 has been modified as follows:

“Net Settlement Amount and Exhaustion of Settlement Fund. The amount remaining from the Gross Settlement Amount after deductions made pursuant to § 4.1(a)-(e) shall constitute the Net Settlement Amount. The Settlement Administrator shall entirely distribute the Net Settlement Amount to Participating Class Members, at which point the Net Settlement Amount shall be entirely exhausted, except for uncashed settlement checks that the Settlement Administrator shall distribute to the California Secretary of State’s Unclaimed Property Fund as specified in § 5.4(c).”

Section 5.4(c) has been modified as follows:

“All amounts remaining in the Net Settlement Amount from uncashed checks shall be distributed to the California Secretary of State’s Unclaimed Property Fund.”

Section 9.1 has been modified as follows:

Within 180 calendar days after the Effective Date	Settlement Administrator will distribute residual amounts to the California Secretary of State’s Unclaimed Property Fund and/or <i>cy pres</i> beneficiary
Within 10 calendar days of distribution to California Secretary of State’s Unclaimed Property Fund and/or <i>cy pres</i>	Settlement Administrator to provide declaration of payment to the California Secretary of State’s Unclaimed Property Fund and/or <i>cy pres</i> beneficiary to Class Counsel and Defendant’s Counsel

3. The Parties nominate California Rural Legal Assistance, Inc. (“CRLA”) as the *cy pres* beneficiary for the residual in the reserve fund, if any. All unclaimed reserve funds shall be forwarded to CRLA in accordance with **Section 4.6**.

4. **Section 6.1** of the Settlement Agreement shall be modified as follows:

“Tax Treatment of Settlement Payments. The Parties make no representation as to the tax treatment or legal effect of payments called for hereunder, and Participating Class Members are not relying on any statement or representations by the Parties or their counsel in this regard. Participating Class Members understand and agree that they will be responsible for the payment of taxes and penalties assessed on the payments hereunder and are encouraged to seek independent legal and tax advice regarding their tax liabilities, if any, for such payments.”

The foregoing language replaces the prior language in **Section 6.1**, and the Parties have deleted from their Agreement the following language which the Court found problematic:

“Tax Treatment of Settlement Payments. The Parties make no representation as to the tax treatment or legal effect of payments called for hereunder, and Participating Class Members are not relying on any statement or representations by the Parties or their counsel in this regard. Participating Class Members understand and agree that they will be responsible for the payment of taxes and penalties assessed on the payments hereunder and will hold the Parties and their counsel free and harmless from and against any claims resulting from treatment of such payments as non-taxable, including the treatment of such payments as not subject to withholding or deduction for payroll or employment taxes.”

5. The 45-day deadline for class members to opt-out, object, or submit a contest to the number of workweeks calculated by Defendant shall be extended by 45 days from the date of remailing for class members whose Notice Packets are re-mailed due to returned envelopes. Accordingly, **Section 1.21** of the Settlement Agreement shall be modified as follows:

“1.21 “Notice Response Deadline” means the date forty-five (45) calendar days after the Settlement Administrator’s initial mailing or secondary mailing of the Notice Packets to Class Members whose notice packets were returned as undeliverable, whichever comes later.”


IT IS SO AGREED:

ACKERMANN & TILAJEF, P.C.

HAMMONDLAW. P.C.

Dated: 3/21/2016

By:

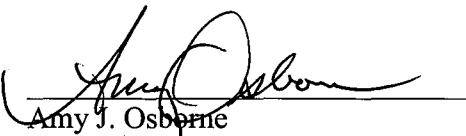


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Dated: 3/21/2016

By:



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