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on behalf of herself and all others similarly situated

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF YOLO

BRANDY L. SKUTLEY and TIMOTHY MILLER, on behalf of themselves and all others similarly situated, Plaintiffs, v. WALGREEN CO., an Illinois Corporation, WALGREENS BOOTS ALLIANCE, INC., an Illinois Corporation, and DOES 1-50, inclusive, Defendants.	Case No. CV2023-0740 Assigned for All Purposes to: Hon. Timothy L. Fall **DECLARATION OF JAMES R. HAWKINS IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF STIPULATION OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT AND RELEASE OF CLAIMS** Date: April 30, 2025 Time: 9:00 a.m. Dept: 11 Complaint Filed: April 10, 2023 FAC Filed: October 10, 2024 Trial Date: None Set

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on behalf of himself and all others similarly situated

I, James R. Hawkins, declare as follows:

1. I am an individual over the age of eighteen. I am a partner at the law firm of James Hawkins, APLC. I am one of the attorneys of record for Plaintiff Brandy L. Skutley, who along with Plaintiff Timothy Miller (collectively, "Plaintiffs"), brought this putative class and PAGA representative action against Defendants Walgreen Co. and Walgreens Boots Alliance, Inc. ("Defendants") (collectively with Plaintiffs, the "Parties") on behalf of themselves and all current and former hourly-paid, non-exempt employees who worked for Defendant Walgreen Co. at one of its California distribution centers during the during from June 3, 2020 through April 1, 2024 ("Class Members").

2. I have personal knowledge of the facts set forth below, and if called to testify regarding them, I could and would do so competently.

3. I submit this Declaration in support of Plaintiffs' Motion for Preliminary Approval of the Stipulation of Class and Representative Action Settlement and Release of Claims (the "Preliminary Approval Motion").

4. Plaintiff Brandy Skutley is a former non-exempt employee of Walgreens who worked for Walgreens in California from approximately January 2022 through April 12, 2022 in Woodland, California.

5. Plaintiff Brandy Skutley provided notice to the LWDA pursuant to the Private Attorneys' General Act, Labor Code section 2698 et seq. ("PAGA") on March 13, 2023, alleging that, during the PAGA Period, Defendant (1) failed to pay minimum wages; (2) failed to pay overtime owed; (3) failed to provide lawful meal periods; (4) failed to authorize and permit rest periods; (5) failed to timely pay wages during employment; (6) failed to timely pay wages owed upon separation from employment; (7) knowingly and intentionally failed to comply with itemized wage statement provisions; (8) violated the unfair competition law; (9) failed to keep accurate records; (10) failed to pay sick leave at the proper rate; (11) failed to pay COVID-19 supplemental sick leave; and (12) performed unlawful background and credit checks.

6. Plaintiff Skutley filed this putative wage-and-hour class action on April 10, 2023, alleging that, during the Class Period, Defendant (1) failed to pay minimum wages; (2) failed to

pay overtime owed; (3) failed to provide lawful meal periods; (4) failed to authorize and permit rest periods; (5) failed to timely pay wages during employment; (6) failed to timely pay wages owed upon separation from employment; (7) knowingly and intentionally failed to comply with itemized wage statement provisions; and (8) violated the unfair competition law.

7. More than 65 days having passed with no response from the LWDA, on May 18, 2023, Plaintiff Skutley filed a PAGA representative complaint seeking PAGA penalties for the violations in the class complaint and LWDA letter.

8. On June 21, 2023, Defendants removed Plaintiff Skutley's putative class action to the District Court for the Eastern District of California, Case No. 2:23-cv-01193.

9. On June 5, 2023, Plaintiff Miller filed his class action and PAGA complaint in Los Angeles County Superior Court, Case No. 23STCV12846, alleging Defendant: (1) failed to provide required meal periods; (2) failed to provide required rest periods; (3) failed to pay overtime wages; (4) failed to pay minimum wages; (5) failed to timely pay all wages due to discharged and quitting employees; (6) failed to furnish accurate itemized wage statements; (7) failed to maintain required records; (8) failed to indemnify employees for necessary expenditures incurred in discharge of duties; and (9) committed unfair and unlawful business practices. The complaint also sought penalties under the Labor Code Private Attorneys General Act.

10. On July 27, 2023 Defendants removed Plaintiff Miller's putative class action to the District Court for the Central District of California, Case No. 2:23-cv-06094.

11. On October 10, 2024, Plaintiff Skutley filed a First Amended Consolidated Complaint, adding Plaintiff Miller as a named plaintiff, adding Walgreen Boots Alliance, Inc. as a named defendant, and adding claims for failure to reimburse necessary business expenses. The First Amended Consolidated Complaint is the operative complaint.

12. Attached hereto as **Exhibit 1** is a true and correct copy of the Stipulation of Class and Representative Action Settlement and Release of Claims ("Settlement Agreement") entered by the Parties.

13. The Parties agreed to an exchange of informal discovery and information in connection with early mediation of the claims in the Actions. Plaintiffs were provided with a

sampling of time records and wage statements for the Class Members during the Class Period. Plaintiffs were also provided with relevant data including the number of employees during the Class Period and PAGA Period, the number of terminated employees during the Class Period and PAGA Period, the number of workweeks during the Class Period and the number of pay periods during the PAGA Period, as well as the average hourly rate and shift length, and the number of shifts over 3.5 hours, 5 hours, 6 hours, 8 hours, 10 hours, and 12 hours. In addition, Plaintiffs were provided with various policy documents including Defendant's meal period waiver agreements, California Meal and Rest Period Policy, rest break and meal schedules by distribution center, timekeeping policies, pay policies including overtime and bonus pay calculation, as well as information regarding Defendants' engineered labor standards and warehouse labor management system.

14. Counsel for the Parties investigated the law as applied to the facts regarding the alleged claims of the Settlement Class Members and potential defenses thereto, and the damages and penalties claimed by the Settlement Class Members. The Parties conducted their own evaluations of the potential recoveries based on the claims alleged in the Action.

15. On January 31, 2024, the Parties engaged in a full-day voluntary mediation with the experienced wage and hour class action mediator Gig Kyriacou which resulted in the present settlement. The full terms of the Parties' agreement were thereafter negotiated in the following months.

16. At all times, the negotiations leading to the settlement, and eventually to the long-form Settlement Agreement, have been adversarial, non-collusive, conducted at arm's length, and supported by a knowledgeable, neutral mediator.

17. Plaintiffs and Class Counsel recognized the expense and length of proceedings necessary to continue the litigation against Defendant through trial and through any appeals. Plaintiff and Class Counsel also have considered the uncertainty and risk of further litigation, the potential outcome, and the difficulties and delays inherent in such litigation. Plaintiffs and Class Counsel have conducted extensive settlement negotiations, including the above-mentioned mediation and through the long-form Settlement Agreement. Based on the foregoing, Plaintiffs

and Class Counsel believe the Settlement set forth in this Settlement is a fair, adequate, and reasonable settlement, and it is in the best interests of the Class Members.

18. Although a settlement has been reached, Defendants deny any and all liability or wrongdoing of any sort with regard to the claims and Defendants maintain that for any purpose other than settlement, this Action is not appropriate for class action treatment. Defendants deny all allegations asserted in the operative complaint, and all claims made by Plaintiffs. Defendants assert that they have no liability for any Plaintiffs' or any Class Member's claims under any statute, wage order, regulation, common law, or equitable theory.

19. While Plaintiffs believe in the strength of their allegations and that their claims are appropriate for class certification, Plaintiffs and Class Counsel have balanced our evaluation of the validity and merit of the asserted claims against potential problems of proof, the legal standards governing litigation of the class claims against potential problems of proof, the legal standards governing litigation of the class claims, the uncertainty of obtaining and maintaining class certification through trial, the potential for appeals, the expense and burden associated with prolonged litigation, the various defenses asserted by Defendants.

20. Based on my evaluation, I believe that the terms set forth in the Settlement are fair, adequate, and reasonable and in the best interest of the Class, including Plaintiffs.

21. Class Counsel engaged in numerous discussions with the Class Representatives regarding the claims set forth in the complaints.

22. Class Counsel is knowledgeable about and has conducted extensive research with respect to the applicable law and potential defenses to the claims in this Class Action and with regard to the impact of the prior settlement. Class Counsel believes Defendants produced sufficient documents and information that allowed the parties to engage in well-informed mediation based upon good faith negotiations. Information was also exchanged during the course of the mediation, which informed subsequent negotiations between the parties and the eventual agreement upon the terms of Settlement.

23. As Class Counsel, we have used this extensive informal discovery and investigation to create a comprehensive damages and potential liability model for each of the

asserted claims, described below, with the assistance of an expert. This damages analysis created from the records produced was used to determine Defendants' potential liability for Plaintiffs' claims.

24. The negotiated Settlement thus resulted from the damages and potential liability model developed from Defendants' pay and time records and the remaining production documents and produced information. To this end, the parties and their counsel exchanged substantial information through informal discovery, information exchange, and correspondence. Counsel for the parties believe that they have conducted sufficient discovery, investigation and research to evaluate the strengths and weaknesses of their respective claims and defenses. After this assessment, Plaintiffs and Class Counsel believe this Settlement is fair and reasonable.

SUMMARY OF SETTLEMENT TERMS

25. Subject to Court approval, Defendants will pay the Gross Settlement Amount of $3,400,000, which is the maximum settlement sum to be paid by Defendants under the terms and conditions of the Settlement. (Settlement § I.M.).

26. The Net Settlement Amount ("NSA") is the amount available for distribution to Class Members in the form of Individual Settlement Payments after subtracting: (1) Class Representative Enhancement Payment of $10,000 to each Plaintiff ($20,000 total) (Id. § III.O.4); (2) Settlement Administration Costs of $22,000 (Id. § III.O.7); (3) PAGA Payment of $170,000 (Id. § III.O.1); (4) Class Counsel Fees of $1,190,000 and litigation costs up to $30,000. (Id. § III.O.5S).

27. Each Participating Class Member's Individual Settlement Payment will be calculated based on the following formula: (Individual Class Member's Compensable Workweeks) ÷ (total number of Compensable Workweeks for the entire Class) x (Net Settlement Amount). (*Id.* § III.O).

28. Within ten (10) business days of Preliminary Approval, Defendants will provide the Class Data to the Settlement Administrator. (*Id* § III.L).

29. All Class Members will receive notice of the Settlement and are not required to submit a claim form to receive an Individual Settlement Payment. Class Members shall have

until the Response Deadline to dispute the number of workweeks that they are credited. (*Id.* § III.L.5). As soon as practicable after receiving the Class Data from Defendants, the Settlement Administrator will mail a Notice Packet to all Class Members via regular First-Class U.S. Mail. (*Id.* III.L.3). Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. (*Id.*) The Settlement Administrator will also attempt to obtain valid mailing addresses on Notice Packets returned as undeliverable in accordance with the terms of the Settlement. (*Id.* § III.L.4).

30. The Response Deadline will be forty-five (45) calendar days from the initial mailing of the Notice Packet by the Settlement Administrator. (*Id.* § I.GG). Class Members to whom Notice Packets are re-mailed shall have fifteen (15) additional days to submit a Request for Exclusion, an Objection, or a workweek dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. (*Id.* § III.L.4).

31. In order for any Class Member to validly exclude himself or herself from the Class and the Settlement, a written request for exclusion containing all the required information must be filled out and timely sent to the Settlement Administrator, postmarked by no later than the Response Deadline. (*Id.* § III.L.7)

32. A Class Member who requests to be excluded from the Class in writing will not be deemed a Settlement Class Member for any purpose, will not receive an Individual Settlement Payment, and will not be subject to the terms of the Settlement, except that Class Members will still be subject to the Released PAGA Claims and receive their share of the PAGA Settlement Award. (*Id.*).

33. In accordance with the terms of the Settlement, the entire NSA will be disbursed to Participating Class Members – that is, all Class Members who do not submit timely and valid Requests for Exclusion. (*Id.* § III.O).

34. In order for any Class Member to object to the Settlement, or any term of the Settlement, the Class Member making the objection must not submit a request for exclusion, and must, by not later than 45 days after the Notice was initially mailed to Class Members, submit

the Objection to the Court and Class Counsel, along with all supporting papers, in accordance with the terms of the Notice and by the Response Deadline. (*Id.* § III.M).

35. To the extent that the Individual Settlement Payment checks are undeliverable, or the Individual Settlement Payment checks are uncashed 180 days after the date listed on the check, the amount of those checks shall be sent to the the *cy pres* recipient, Legal Aid at Work. (*Id.* § III.O.3).

36. Each Individual Settlement Share shall be allocated as follows: 20% as wages (to be reported on an IRS Form W2); and 80% as interest and statutory penalties (to be reported on an IRS Form 1099). (*Id.* § III.O).

37. The Settlement Administrator shall issue to Plaintiffs and Participating Class Members Forms W-2 and 1099 – MISC for the amounts paid. (*Id.*)

38. CPT Group, Inc. shall be the Settlement Administrator. (*Id.* § I.II). The Settlement Administration Expenses are estimated to be $22,000. (*Id.* § III.O.7). These will include , *inter alia*, fees and costs payable to the Settlement Administrator for printing, distributing (including with appropriate postage), and tracking documents for this Settlement, any searches to locate any Settlement Class Members, translating the notice and related documents into Spanish, providing notice of the proposed settlement to the appropriate state and federal officials in accordance with the requirements of the Class Action Fairness Act, 28 U.S.C. § 1715, calculating estimated amounts per Class Member, tax reporting, distributing the Individual Settlement Payments, Enhancement Payment, and Class Counsel Fees and Costs and providing necessary certification of completion of notice, reports and declarations, establishing and maintain a website, establishing and administering a qualified settlement fund account, required tax reporting on the Individual Settlement Payments, the issuing of required tax forms and other responsibilities as requested by the Parties and the Court. (*Id.*).

39. On the date set forth in the Notice of Proposed Class Action Settlement, a Final Fairness and Approval Hearing shall be held before the Court in order to (1) review this Settlement and determine whether the Court should give it final approval, and (2) consider any timely objections made, and all responses by the Parties to such objections. (*Id.* § III.P). At the

Final Fairness and Approval Hearing, the Parties will ask the Court to give final approval to the Settlement and shall submit to the Court a Proposed Final Order Approving Settlement of Class Action, which the Parties shall jointly agree upon in advance, and which shall be entered in the Action. (*Id.*).

THE SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE

40. We are experienced wage and hour class action attorneys. We have represented, mediated, tried, and settled other employee class actions in wage and hour litigation and have knowledge of the strengths and weaknesses of their respective positions that are sufficient to evaluate the fairness of the proposed settlement herein.

41. Class Counsel and Plaintiff understand the uncertain and risky nature of the class certification process as well as the potential merits of both legal and factual defenses expected to be raised by the Defendant. Based upon the uncertainty associated with Defendant's asserted defenses, the risk in certifying a class, the possibility of Defendant prevailing on potentially dispositive motions, and a potential trial, Class Counsel and the Plaintiffs believe the $3,400,000 Gross Settlement Amount to settle all Claims in the Action is fair, reasonable, and adequate under the circumstances and will provide Participating Class Members meaningful compensatory relief without any reversion to Defendant. The Settlement affords the Class Members prompt and substantial relief, while avoiding significant legal and factual obstacles that otherwise may have prevented the Class Members from obtaining any recovery at all. Indeed, the outcome of class certification, trial and any attendant appeals, is inherently uncertain. Throughout this litigation and the settlement process, Defendant has denied and continue to deny any liability or wrongdoing of any kind associated with Plaintiff's claims alleged in the Actions. Defendant has also produced substantial evidence to support its defenses, such that recovery is uncertain.

42. Defendant has also denied that, for any purpose other than settling the Action, it is appropriate for class certification. With this in mind, the Parties have concluded that the risks, future costs and expenses involved in continuing the Action will be substantial and have chosen to eliminate any further expenses, attorneys' fees, and uncertainty in connection with the Action.

In particular, given the heavily disputed nature of the case—both factual and legal grounds—it is expected that substantial expenses would be incurred in determining issues concerning formal discovery, litigating any class certification or decertification motion and appeals, bringing potentially dispositive motions, and in connection with any trial or appeals after trial. Without admitting or conceding any liability or damages, Defendant has entered into the Settlement to fully, finally, and forever resolve this litigation and bar further litigation on the terms and conditions set forth in the Settlement, and in order to avoid the burden, expense, and uncertainty associated with litigation.

43. Based upon initial review of the documents and information provided, Plaintiff's counsel estimated that maximum total liability if the claims were entirely successful at trial, Defendant did not prevail on any defenses, and all penalties sought were awarded, Plaintiff and the Class would be awarded approximately $72,132,466. This estimate was based on the following figures provided for mediation: 3,101 class members (1,865 former and 1,236 current employees), 196,250 workweeks and102,112 pay periods during the Class Period, $22.49 average hourly wage, and 44,827 pay periods during the PAGA Period.

a. <u>Off-the Clock Work</u>: 196,250 workweeks with off-the-clock work, with an estimated 1 hour of off-the-clock work per week at a rate of $22.49 per hour, with none of off-the-clock hours qualifying as overtime, plus interest = $5,290.037.

b. <u>Unpaid Meal Period Premiums</u>: 242,621 net unpaid meal period premiums (30.7% of shifts analyzed with unique violations) x $22.49 hourly rate, plus interest = $6,245,631.

c. <u>Unpaid Rest Period Premiums</u>: 759,698 shifts with rest period violations (assuming one violation for each shift greater than 3.5 hours) x $22.49 hourly rate, plus interest = $19,601,588.

d. <u>Underpayment of Sick Pay and Meal Period Premiums Due to Regular Rate Miscalculation:</u> $11,288

e. <u>Underpayment of Overtime Due to Regular Rate Miscalculation:</u> $1,152,505.

f. Waiting Time Penalties: 1,865 former employees x $197.10 average daily pay x 30 days = $11,027,817.

g. Failure to Comply with Itemized Wage Statement Provisions: 44,847 Pay Periods in Wage Statement Period at $50 per initial violation and $100 per subsequent violation and $4000 maximum penalty per employee = $4,391,650.

h. PAGA Penalties: $23,411,950

i. Waiting Time: 886 Former Aggrieved Employees x $100 penalty per pay period = $88,600.

ii. Unpaid Wages: 44,847 PAGA Pay Periods x $100 penalty per pay period = $4,484,700.

iii. Meal Periods: 29,735 PAGA Pay Periods with Meal Period Violations x $100 penalty per pay period = $2,973,500.

iv. Rest Periods: 44,847 PAGA Pay Periods x $100 penalty per pay period = $4,484,700.

v. Wage Statements: 44,847 PAGA Pay Periods x $250 penalty per pay period = $11,211,750.

vi. Sick Pay: 19 PAGA Pay Periods with underpaid sick pay x $100 penalty per pay period = $1,900.

vii. Meal Premiums: 1,668 PAGA Pay Periods with underpaid meal period premiums x $100 penalty per pay period = $166,800.

44. Plaintiffs allege that Defendant failed to pay minimum and overtime wages. Plaintiffs contend that Defendant failed to pay Class Members for all hours worked including time spent performing pre and post shift activities. In addition, Plaintiff contends that Defendant failed to pay proper overtime wages due to an improper alternative workweek schedule and failure to include certain bonuses and other incentives in the regular rate of pay.

45. Defendant argued that it had a written policy discouraging off-the-clock work and paid employees for all hours worked and reported. In addition, Defendant contends that it included all required payments in the regular rate of pay for overtime and that any bonuses were discretionary

and not required to be included in the regular rate of pay.

46. Plaintiffs also alleged that Defendant failed to provide compliant meal periods. In *Brinker Restaurant Corp. v. Superior Court*, 53 Cal. 4th 1004 (2012), the California Supreme Court held that "under ... Labor Code section 512, subdivision (a), an employer must relieve the employee of all duty for the designated period but need not ensure that the employee does no work" during the meal period. *Brinker*, 53 Cal. 4th at 1034. However, "...an employer may not undermine a formal policy of providing meal breaks by pressuring employees to perform their duties in ways that omit breaks. *Cicairos v. Summit Logistics, Inc.*, 133 Cal. App.4th 949, 962–963 (2005); *see also Jaimez v. DAIOHS USA, Inc.*, 181 Cal. App. 4th 1286, 1304–1305 (2010) [proof of common scheduling policy that made taking breaks extremely difficult would show violation]; *Dilts v. Penske Logistics, LLC*, 267 F.R.D. 625, 638 (S.D.Cal.2010)[indicating informal anti-meal-break policy "enforced through 'ridicule' or 'reprimand' " would be illegal].) The wage orders and governing statute do not countenance an employer's exerting coercion against the taking of, creating incentives to forego, or otherwise encouraging the skipping of legally protected breaks." *Brinker*, 53 Cal. 4th at 1040.

47. Moreover, in *Donohue, supra*, the Court held that at both the class certification and summary judgment stage, when time records show short, missed, and late meal periods, there is a presumption that an employer violated California's meal period requirements. *See Donohue, supra*, 11 Cal.5th at 78 ("If time records show noncompliant meal periods, then a rebuttable presumption of liability arises.")

48. Defendant contends, on the other hand, that Defendant had a facially compliant meal period policy, and that Plaintiffs would not be able to succeed on this claim because of numerous individual issues regarding why meal periods were not taken. Specifically, Defendant argued that Plaintiff's meal period theory provides no common proof, and devolves into individualized daily mini-trials - in other words, to assess what every person was doing (or could have been doing based on his/her unique talents, pressures, etc.) and why they were doing it in even a single location, for even a single moment in time – even if one was present at that time – would be a daunting task. *See e.g., Chavez v. Zaldivar*, 2012 U.S. Dist. LEXIS 40984 *1, *23-24

(N.D. Cal. 2012) ("To determine whether staffing levels resulted in missed meal periods, the Court would need to engage in individualized questions concerning the staffing requirements at each of [defendants'] locations. Additionally, these staffing requirements would vary from day to day."); *Washington v. Joe's Crab Shack*, 271 F.R.D. 629, 641 (N.D. Cal. 2010) ("an individualized inquiry will be required to determine whether any single employee failed to take a meal break because he/she was too busy and also to determine whether a particular employee signed a waiver based on a decision not to take meal breaks. For this reason alone, common issues do not predominate with regard to the meal break claim"); *Ordonez v. Radio Shack, Inc*., 2013 WL 210223 *1, *7 (C.D. Cal. 2013) ("there is no way of determining on a classwide basis whether these were violations, a legal conclusion, or whether individual class members voluntarily opted to start their meal break late, cut it short, or not take a break at all."); *Rosales v. El Rancho Farms*, 2011 WL 6153276 *1, *24 (E.D. Cal. 2011) (denying class certification where plaintiffs claimed they were "pressured" to forego meal and rest breaks because such "is exactly the type of individualized determination" that is not appropriate for class treatment). Accordingly, Plaintiffs acknowledge the difficulty in proving the rest period violations as a result of an absence of objective evidence. Moreover, Defendant also produced records showing meal period premium payments of more than $17,000 to the Class Members during the Class Period.

49. Plaintiffs' theory of liability with respect to the paystub claim is that Defendant failed to include all premium payments for meal and rest period violations and to include the correct rate of pay for overtime, premiums, and sick pay. In *Naranjo v. Spectrum Security Services, Inc.* (2024) 15 Cal.5th 1056, the California Supreme Court held that an employer did not knowingly and intentionally fail to comply under Lab. Code, § 226, subd. (e)(1), by not including unpaid meal premiums in its workers' wage statements because it reasonably and in good faith believed it was providing complete and accurate wage statements in compliance with § 226, subd. (a), as shown by its assertion of reasonable legal arguments to support its mistaken belief that it did not owe its workers premium pay for missed meal breaks.

50. Defendant argues that, even assuming there are any violations, which it denies, Defendant presents evidence of a good faith dispute as to any violation. *Naranjo v. Spectrum Security Services, Inc.* (2024) 15 Cal.5th 1056, 1065 (Under long established law, an employer cannot incur civil or criminal penalties for the willful nonpayment of wages when the employer reasonably and in good faith disputes that wages are due); *Hurst v. Buczek Enters., LLC,* 870 F.Supp.2d 810, 829 (N.D. Cal. 2012) (no section 226 violation where the employer "makes a good faith claim" in its defense); *Harris v. Vector Mktg. Corp.*, 656 F.Supp.2d 1128, 1146 (2009) (the "employer did not knowingly and intentionally fail to provide itemized wage statements" where there was a "good faith dispute").

51. Plaintiffs' theory on the rest break claim is that Plaintiffs and the class were not able to take duty-free rest periods, based upon understaffing. As with Plaintiff's meal period theory of liability, Defendant contended it had a compliant rest period policy, and that Plaintiffs would not be able to succeed on this claim because of numerous individual issues regarding why rest periods were not taken. Specifically, Defendant argued that Plaintiff's rest period theory provides no common proof, and devolves into individualized daily mini-trials - in other words, to assess what every person was doing (or could have been doing based on his/her unique talents, pressures, etc.) and why they were doing it in even a single location, for even a single moment in time – even if one was present at that time – would be a daunting task. *See e.g*., *Chavez v. Zaldivar*, 2012 U.S. Dist. LEXIS 40984 *1, *23-24 (N.D. Cal. 2012) ("To determine whether staffing levels resulted in missed meal periods, the Court would need to engage in individualized questions concerning the staffing requirements at each of [defendants'] locations. Additionally, these staffing requirements would vary from day to day."); *Washington v. Joe's Crab Shack*, 271 F.R.D. 629, 641 (N.D. Cal. 2010) ("an individualized inquiry will be required to determine whether any single employee failed to take a meal break because he/she was too busy and also to determine whether a particular employee signed a waiver based on a decision not to take meal breaks. For this reason alone, common issues do not predominate with regard to the meal break claim"); *Ordonez v. Radio Shack*, *Inc*., 2013 WL 210223 *1, *7 (C.D. Cal. 2013) ("there is no way of determining on a classwide basis whether these were violations, a legal conclusion, or

whether individual class members voluntarily opted to start their meal break late, cut it short, or not take a break at all."); *Rosales v. El Rancho Farms*, 2011 WL 6153276 *1, *24 (E.D. Cal. 2011) (denying class certification where plaintiffs claimed they were "pressured" to forego meal and rest breaks because such "is exactly the type of individualized determination" that is not appropriate for class treatment). Accordingly, Plaintiffs acknowledge the difficulty in proving the rest period violations as a result of an absence of objective evidence.

52. Plaintiffs contend that PAGA penalties are owed based on the numerous alleged Labor Code violations identified above. Once a PAGA violation is found, a court must award civil penalties. *See Amaral v. Cintas Corp. No. 2*, 163 Cal.App.4th 1157, 1211-1213 (2008). Nevertheless, a court has discretion to reduce the award of civil penalties if it finds that "based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." Cal. Lab. Code § 2699(e)(2).

53. Beyond the individual merits, Defendant contends that these claims are not amenable to PAGA or representative treatment. For example, Defendant argued that a PAGA claim must be dismissed if the claim is not manageable. *Wesson v. Staples The Office Superstore, LLC*, 68 Cal. App. 5th at 852 ("courts have inherent authority to ensure that PAGA claims can be fairly and efficiently tried and, if necessary, may strike a claim that cannot be rendered manageable.") Therefore, Defendant argued that an action that would cover a vast number of employees, as here, each of whom have markedly different experiences relevant to the alleged violations, is not manageable and may be stricken. *Id*.

54. Defendant also pointed out that some courts have held, if resolution of the PAGA claim would require "individualized determinations" as to "hundreds or thousands of differently situated employees", particularly where it may take "years of trial court time," it must be dismissed. *Id*. *36-37; *See also e.g. Lopez v. Liberty Mut. Ins. Co.*, Case No. 2:14-cv-05576-AB-JCx) (C.D.Cal., Feb. 11, 2020) 2020 U.S.Dist. LEXIS 45634, at *15 (striking PAGA claim as unmanageable because it "would require a multitude of individualized assessments"); *Nikmanesh v. Wal-Mart Stores, Inc.*, No. 8:15-cv- 00202-AG-JCG, ECF Dkt. 200, slip op. at 4-5 (C.D. Cal. Mar. 22, 2017) (dismissing uncertified PAGA claim "as unmanageable," where court

previously "pointed to other examples of individualized variables when it denied class certification for failure of common questions to 'predominate over questions affecting only individual class members'"); *Salazar v. McDonald's Corp.*, No. 14-CV-02096-RS, 2017 WL 88999, at *7-9 (N.D. Cal. Jan. 5, 2017) (striking representative PAGA claims as unmanageable where underlying claims would require individualized determinations); *Brown v. Am. Airlines, Inc.*, No. CV 10-8431-AG (PJWX), 2015 WL 6735217, at *4 (C.D. Cal. Oct. 5, 2015) (striking PAGA claims because "[t]here appear[ed] to be too many individualized assessments to determine PAGA violations concerning overtime pay.")

55. Therefore, Defendant contends that each of Plaintiffs' theories for a PAGA claim pursued in the instant cases is individualized, and would require testimony, subject to cross-examination and credibility assessments, from each supposed "aggrieved employee" to establish liability on the theory for any pay period. Additionally, because the law is unsettled in many areas of the law alleged by Plaintiffs, there is a very real possibility that a court would substantially reduce the penalties, even if they are proven. *See, e.g., Fleming v. Covidien, Inc.*, 2011 WL 7563047, *3-4 (C.D. Cal. 2011) (reducing penalties from $2.8 million to $500,000 based on wage statement violations because to assess full penalties would be unjust and arbitrary); *Thurman v. Bayshore Transit Mgmt., Inc.*, 203 Cal.App.4th 1112, 1134 (2012) (reduction of PAGA penalties by 30% affirmed on appeal).

56. Based upon Defendant's arguments, defenses, risks to certification and merits, Plaintiff's Counsel determined that the realistic exposure was approximately $11,962,920.50 as follows:

a. <u>Off-the Clock Work</u>: 196,250 workweeks with off-the-clock work, with an estimated 1 hour of off-the-clock work per week at a rate of $22.49 per hour, with none of off-the-clock hours qualifying as overtime, plus interest = $5,290.037 x 25% = $1,322,509.25.

b. <u>Unpaid Meal Period Premiums:</u> 242,621 unpaid meal period premiums (30.7% of shifts analyzed with unique violations) x $22.49 hourly rate, plus interest =

$6,245,631 x 50% (discounted to account for risks of certification and trial) = $3,122,815.50.

c. Unpaid Rest Period Premiums: 759,698 shifts with rest period violations x $22.49 hourly rate, plus interest = $19,601,588 x 10% (discounted to account for risks of certification and trial) = $1,960,158

d. Waiting Time Penalties: 1,865 former employees x $197.10 average daily pay x 30 days = $11,027,817 x 25% (discounted to account for risks of certification and trial) = $2,756,954.25.

e. Failure to Comply with Itemized Wage Statement Provisions: 44,847 Pay Periods in Wage Statement Period at $50 per initial violation and $100 per subsequent violation and $4000 maximum penalty per employee = $4,391,650 x 25% (discounted to account for risks of certification and trial) = $1,097,912.50.

f. Underpayment of Sick Pay Meal Period Premiums Due to Regular Rate Miscalculation: $11,288 x 50% = $5,644

g. Underpayment of Overtime Due to Regular Rate Miscalculation: $1,152,505 x 50% = $576,252.

h. PAGA Penalties: 44,827 PAGA Pay Periods x $25 per pay period = $1,120,675.

57. The negotiated settlement of and the negotiated settlement of $3,400,000 is approximately 4.78% of the maximum exposure or 28% of the realistic maximum liability. Accordingly, I respectfully submit that this settlement is well within the ballpark of reasonableness, and that the settlement is fair, reasonable, and adequate.

58. This case also has the potential to impose enormous litigation costs on all of the parties, as Defendant is expected to continue challenging Plaintiffs' allegations and to increase the pace of their investigation and opposition. Although it is difficult to foresee the ultimate result of a trial, we anticipate an expensive, complex and time-consuming process. We foresee the possibility of a lengthy and costly appeal regardless of the outcome of trial given the

unsettled legal landscape governing this case. In order to succeed on the merits, Class Members would also need to prevail on several hotly disputed legal and factual issues. Some of these issues include the ability of the proposed Class Representatives to advance the interests of all Class Members and assert claims which are representative of the entire class. Plaintiffs would need to continue to tenaciously litigate this case through intense discovery, investigation and heavy law and motion pertaining to manageability, class certification and possible summary judgment issues, based on Defendant's aggressive posturing and vigorous dispute of liability and damages. Given these realities, it is highly likely that the future expense of this litigation, and its likely duration if the settlement is not approved, would be significant and weigh heavily in favor of approval of this Settlement.

59. The proposed Class Representatives, Brandy Skutley and Timothy Miller, provided extensive supporting documents and knowledge in assisting counsel in developing information necessary to litigate and settle this case. Plaintiffs also conducted extensive record review and consultation with counsel to assist in evaluating and proving the claims and provided information and documents that were vital to Class Counsel's prosecution of this matter, and dedicated invaluable effort required to advance this matter to resolution. They also assisted counsel in preparing for mediation and made themselves available during mediation to answer any questions that arose during the course of the mediation and has been actively involved in this matter since its inception. Plaintiffs have been extensively involved in the litigation of the action. The Settlement provides for Enhancement Payments to be paid of up to $10,000 to each Plaintiff. (*Id.* § III.O.4). The primary consideration for this payment is to compensate Plaintiffs for their services and efforts to prosecute this class action, and the risk and potential consequences she assumed by virtue of serving as Class Representatives and Plaintiffs. The proposed Enhancement Payments are a small portion of the Gross Settlement Amount, and little in comparison to the Net Settlement Amount guaranteed to be paid to the Settlement Class. The Enhancement Payments are fair and justified as part of the Settlement. Per Defendant's request, Plaintiff has also individually executed a general release of all known and unknown claims, as opposed to the limited release by participating Class Members. (*Id.* § III.E). Plaintiff is not

receiving preferential treatment, and all Settlement Class Members will receive compensation consistent with their proportional share through the efforts of Plaintiffs in the context of this suit. Plaintiffs will provide declarations regarding their efforts at the time of final approval.

60. Commonality: Class Certification, as requested by the parties for the purposes of the Settlement only, should be granted because Plaintiffs allege that the proposed Class Members' claims all stem from the same alleged conduct, e.g., that Defendant failed to pay minimum and overtime wages, failed to provide lawful meal periods, failed to authorize and permit rest periods, failed to pay meal or rest period premiums, failed to timely pay wages earned and upon separation from employment, failed to provide accurate wage statements, performed unlawful background and credit checks, and violated Business and Professions Code sections 17200 *et seq*.

61. The nature and types of claims available to the Class Members are identical and arise out of application of uniform policies. For purposes of the Settlement, the main individualized differences between Class Members relate to the amount of compensation each Class Member would be entitled to receive based upon workweeks worked. This Action seeks recovery of unpaid wages and penalties pursuant to the California Labor Code, California Industrial Welfare Commission ("IWC") Wage Orders, and Section 17200 of the Business and Profession Code on behalf of Plaintiff and the rest of the Class Members, who all share claims arising out of the same policies and practices. In addition, Defendant's primary defense that its policies were facially lawful and lawful as applied are common to all members of the Class. Under these circumstances, the commonality requirement for certification for settlement purposes is satisfied.

62. Typicality: The typicality requirement is met, as the proposed Class Representatives and the Class Members have claimed that Defendant violated Federal and California law by the above-specified conduct. Under these specific circumstances, the typicality requirement for class certification for settlement purposes is satisfied because the Class Representatives and the proposed Class Members all claim that Defendants committed similar violations based upon similar conduct, policies and practice and they seek the same remedies.

Plaintiff contends, and Defendant do not dispute for settlement purposes, that their claims are typical of the claims of the Settlement Class because they arise from the same factual basis and are based upon the same legal theories as those applicable to the Class Members.

63. Adequacy and Numerosity: The adequacy requirement is also satisfied. The Class Representatives will receive a reasonable award for their time and efforts assisting counsel with factual issues surrounding the case. Other than this specific payment, all Class Members will receive a proportionate share of the Net Settlement Amount based on the number of workweeks worked during the Class Period divided by the total number of workweeks worked by the Class during the Class Period. As a result, there is no conflict of interest between the Class Representatives and the Class Members. Additionally, the Class Representatives and our firms have prosecuted this action vigorously on behalf of the Class Members and have represented the proposed Class's interests in obtaining documents and information related to the claims in litigation, in settlement negotiations, and at mediation. The Class Representatives and Class Counsel have vigorously prosecuted this case. Our firm is well-versed in handling complex wage and hour class action litigations such as this one and submits that the class size of approximately 3,101 Class Members is sufficiently numerous to warrant conditional class certification. Class Counsel has kept in regular touch with Plaintiffs, and believes this settlement is fair to both Plaintiffs and Class Members. I am unaware of any interests of the Class Representatives which are adverse or antagonistic to the interests of the Class.

64. Superiority: The named Class Representatives and our firms, as Class Counsel, believe that common questions of law and fact predominate over individual questions, and class-wide treatment of this dispute is superior to individual litigation. Plaintiff alleges that the Class in this case is sufficiently cohesive, since all Class Members share a common nucleus of facts and potential legal remedies, and because all of the Class Members and the Class Representatives seek unpaid wages, penalties, and interest from Defendant for the allegations described herein. Plaintiff alleges that common questions predominate over individual questions, and the Class Members' potential legal remedies are identical. The alternative method of resolution is individual claims for lesser amounts of damages; however, individual cases would

be uneconomical for potential plaintiffs because the cost of litigation dwarfs their potential recovery. While there are many Class Members, many of the Class Members' claims would be too small to justify individual litigation. Further, more than 3,000 separate lawsuits would be an unnecessary drain on judicial resources and could result in conflicting obligations being imposed upon Defendant. Therefore, class treatment is the preferred method of resolution.

65. Ascertainability: The proposed Class is ascertainable because all of the Class Members have worked for Defendant as employees and can be identified through Defendant's employee and personnel files and payroll records. Indeed, Defendant has already identified from their records approximately 3,101 current and former hourly non-exempt employees comprising the potential Class, which the Parties respectfully request the Court preliminarily certify for settlement purposes. Finally, for the purpose of settlement only, Plaintiff and Defendant have stipulated to class certification.

66. The Parties' proposed Class Notice is attached hereto as **Exhibit 1** to the Settlement Agreement. The plan for providing class notice will entail the Settlement Administrator mailing the Class Notice to all known and reasonably ascertainable Class Members based on Defendant's business records by USPS first class mail. The Class Notice is consistent with notices approved by numerous state and federal courts, and is believed to be the best notice practicable under the circumstances of this case.

67. The Class Notice also fulfills the neutrality requirement. It summarizes the proceedings to date along with the terms and conditions of the Settlement in an informative and coherent manner, and is accurate, objective, and understandable to Class Members, as is required under prevailing precedent. The Class Notice clearly states the Settlement does not constitute an admission of liability by Defendant and recognizes the Court has not ruled on the merits. It also states the final settlement approval decision has yet to be made. Accordingly, the Class Notice complies with the standards of fairness, completeness and neutrality required of a settlement class notice.

68. I have a great deal of experience in wage and hour class action litigation. I have been certified and approved as class counsel in many other wage/hour class actions, and I am

currently litigating numerous others before this Court and others. Although not an all-inclusive list, over the years I have prosecuted the following class action matters as lead and/or co-lead counsel, all of which implicated similar law and facts to those associated with this Action:

a. ***Mojica v. Compass Group, Inc., et. al.*** USDC Central District, Case No. 8:13-cv-01754. Wage and Hour Class Action case seeking past wages for meal and rest break violations for production workers in the State of California. Plaintiff's Counsel preliminarily appointed as Class Counsel. Case settled. Final approval granted, and funds fully disbursed.

b. ***Dao v. 3M Company, et al.*** USDC, CENTRAL DISTRICT, Case No. CV-08-04554. Wage and Hour Class Action case seeking past wages for "off the clock," overtime and meal and rest break violations for production workers in the State of California. Plaintiff's Counsel appointed as Lead Counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

c. ***Ortiz v. Kmart,*** USDC, CENTRAL DISTRICT, Case No. SACV 06-638 ODW. Wage and Hour Class Action case seeking past wages for meal and rest period violations for retail employees in the State of California. Plaintiff's counsel appointed co-lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

d. ***Morgan v. Aramark Campus, LLC,*** USDC, CENTRAL DISTRICT, Case No. SACV08-00412. Wage and Hour Class Action case seeking past wages for meal and rest period violations for retail employees in the State of California. Plaintiff's Counsel appointed as Lead Counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

e. ***West v Iron Mountain Information Management, Inc, et. al.;*** Los Angeles County Superior Court, Case No. BC393709. Wage and Hour Class Action seeking past wages for overtime, meal and rest break violations for driver employees in the State of California. Stipulation for "binding arbitration."

Arbitration Award for Plaintiff Class. Arbitration Award confirmed. Plaintiff's counsel lead trial counsel and class counsel.

f. ***Gonzalez v. Superior Industries International, Inc.*****, et al.,** Los Angeles County Superior Court, Case No. BC 357912. Wage and Hour Class Action seeking past wages for overtime, meal and rest breaks violations for production employees in the State of California. Plaintiff's counsel appointed as lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

g. ***Acosta v. Fleetwood Travel Trailers of California, Inc.,*** **et al.,** Riverside County Superior Court, Case No. RIC 440630. Wage and Hour Class Action seeking past wages for overtime, meal and rest break violations for production employees in the State of California. Plaintiff's counsel appointed as co-lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

h. ***Walker v. Sharkeez*****, et al.,** Orange County Superior Court, Case No. 05CC00293. Wage and Hour Class Action seeking past wages for unlawful deductions, meal and rest break violations for restaurant employees in the State of California. Plaintiff's counsel appointed as lead counsel. Case settled. Final Approval granted and funds fully distributed.

i. ***Padron v. Universal Protection Service, et al*****,** Orange County Superior Court, Case No. 05CC00013. Wage and Hour Class Action seeking past wages for overtime, meal and rest break violations for security officers in the State of California. Plaintiff's counsel appointed as co-lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

j. ***Martinez v. Securitas Security Services USA, et al.*****,** Santa Clara Superior Court, Case No. 105-CV047499, et al. J.C.C.P. No. 4460. Wage and Hour Class Action seeking past wages for meal and rest break violations for security officers employed by defendant in the State of California. Plaintiff's counsel and co-counsel. Case settled, Final Approval granted and funds fully distributed.

k. ***Velasquez-Lopez v. Hotel Cleaning Services, Inc. et al.,*** Riverside Superior Court, Case No. RIC 420909. Wage and Hour Class Action seeking past wages for overtime, meal and rest break violations for housekeepers employed by defendant in the State of California. Plaintiff's counsel appointed as lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

l. ***Ruiz, et al. v. Unisourse Worldwide, Inc., et al.,*** USDC, CENTRAL DISTRICT, Case No. CV09-05848. Wage and Hour Class Action seeking past wages for meal and rest period violations for non-exempt employees employed by defendant in the state of California. Case settled. Awaiting Preliminary Approval hearing. Plaintiff has petitioned the Court for Lead Counsel.

m. ***Herrador v. Culligan International Company, et al.,*** USDC, CENTRAL DISTRICT, Case No. SACV 08-680. Wage and Hour Class Action seeking past wages for field and branch employees of defendant in the State of California. Plaintiff's counsel appointed as lead counsel. Case settled and awaiting Final Approval.

n. ***Defries v. Domain Restaurants, et al.,*** Orange County Superior Court, Case No. 05CC00128. Wage and Hour Class Action seeking past wages for restaurant employees of defendant in the State of California. Plaintiff's counsel appointed as lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

o. ***Denton v. BLB Enterprises, Inc., et al.,*** Orange County Superior Court, Case No. 07CC01292. Wage and Hour Class Action seeking unpaid overtime, meal and rest break violations for security guards employed by defendant in the State of California. Plaintiff's counsel appointed as lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

p. ***Rios v. Sandberg Furniture Manufacturing Co., Inc, et al.,*** Los Angeles Superior Court, Case No. BC411477. Wage and Hour Class Action seeking unpaid meal and rest break violations for production employees employed by defendant in the

State of California. Plaintiff counsel appointed as lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

q. ***McMurray v. Dave and Busters, Inc., et al.,*** Orange County Superior Court, Case No. 06CC00099. Wage and Hour Class Action seeking past wages for meal and rest break violations for restaurant employees employed by defendant in the State of California. Plaintiff's counsel appointed as co-lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

r. ***Osuna v. DFG Restaurants, Inc., et al.,*** Los Angeles Superior Court, Case No. BC 330145. Wage and Hour Class Action seeking past wages of overtime for misclassification of managers employed by Defendant, DBA Carl's Jrs. in the State of California. Plaintiff's counsel appointed as co-lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

s. ***Burns v. Gymboree Operations, Inc.,* et al.,** San Francisco Superior Court, Case No. CGC-07-461612. Wage and Hour Class Action seeking past wages for meal and rest break violations for retail employees employed by defendant in the State of California. Plaintiff's counsel appointed lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

t. ***Willems v. Diedrich Coffee, Inc., et al.,*** Orange County Superior Court, Case No. 07CC00015. Wage and Hour Class Action seeking past wages of overtime for misclassification of managers employed by Defendant in the State of California. Plaintiff's counsel appointed lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

u. ***Davila, et al. v. Beckman Coulter, Inc., et al.,*** Orange County Superior Court, Case No. 07CC01347. Wage and Hour Class Action seeking past wages for overtime, meal and rest break violations for production workers employed by defendant in the State of California. Plaintiff's counsel appointed lead counsel. Cased settled, Final Approval granted, no objections and funds fully distributed.

v. ***Perez v. Naked Juice Company of Glendora, Inc.,*** Los Angeles Superior Court, Case No. BC387088. Wage and Hour Class Action seeking past wages for overtime, meal and rest period violations for production employees employed by defendant in the State of California. Plaintiff counsel appointed as lead counsel. Case settled. Final Approval granted, no objections and funds fully distributed.

w. ***Coordination Proceeding Special Title [Rule 1550(b)] Wackenhut Wage and Hour Cases***, Los Angeles Superior Court, Case No. JCCP 4545. Wage and Hour Class Action seeking past wages for overtime, meal and rest period violations for security guards employed by defendant in the State of California. Certification granted. Plaintiff's counsel appointed as co-lead counsel. Writ taken. Court stays action pending Appellate Court ruling. Court lifts stay.

x. ***Placencia v. Amcor Packaging Distribution, Inc.,*** Orange County Superior Court, Case No. 30-2013-00694012-CU-OE-CXC. Wage and Hour Class Action seeking past wages for overtime, meal and rest period violations, and penalties on behalf of non-exempt production, maintenance, shipping, and receiving employees employed by Defendant in California. Plaintiff counsel appointed as lead counsel. Case settled. Final Approval granted, no objections and funds fully distributed.

y. ***Trani v. Lisi Aerospace, et al.*****,** Los Angeles Superior Court, Case No. BC495527. Wage and Hour Class Action seeking past wages for overtime, meal and rest period violations, and penalties on behalf of non-exempt manufacturing employees employed by Defendant in California. Plaintiff counsel appointed as lead counsel. Case settled. Final Approval granted, no objections and funds fully distributed.

z. ***Galvan v. Goodwin Co.*****,** Orange County Superior Court, Case No. 30-2013-00637062-CU-OE-CXC, Wage and Hour Class Action seeking past wages for meal period violations, and non-compliant wage statements on behalf of non-exempt production employees employed by Defendant in California. Plaintiff counsel appointed as lead counsel. Case settled. Final Approval granted, no objections and funds fully distributed.

aa. ***Reyes v. Bristol Fiberlite,*** Orange County Superior Court, Case No. 30-2013-00653425-CU-OE-CXC. Wage and Hour Class Action seeking past wages for overtime, meal and rest period violations, inaccurate wage statements, and penalties on behalf of non-exempt employees employed by Defendant in California. Plaintiff counsel appointed as lead counsel. Case settled. Final Approval granted, no objections and distribution of funds pending.

bb. ***Gutierrez v. HMT Tank,* USDC Central Dist.,** Case No. CV14-1967-CAS(MANx). Wage and Hour Class Action seeking past wages for meal and rest period violations, failure to indemnify necessary expenses, inaccurate wage statements, and penalties on behalf of non-exempt employees working in positions related to servicing, refabricating and repairing storage tanks employed by Defendant in California. Plaintiff counsel appointed as lead counsel. Case settled. Final Approval granted, no objections and funds fully distributed.

cc. ***Williams v. Il Fornaio America Corp.,*** Sacramento County, Case No. 34-2011-0009616. Wage and Hour Class Action seeking past wages for overtime, meal and rest period violations, reimbursements, and penalties on behalf of non-exempt restaurant employees employed by Defendant in California. Plaintiff counsel appointed as lead counsel. Case settled. Final Approval granted, and funds fully distributed.

dd. ***Aguilar v. 7-Eleven, Inc.,*** Orange County, Case No. 30-2009-002687141-CU-OE-CXC. Wage and Hour Class Action seeking past wages for overtime, meal and rest period violations, and penalties on behalf of non-exempt retail clerks employed by Defendant in California. Plaintiff counsel appointed as lead counsel. Case settled. Final Approval granted, no objections and funds fully distributed.

ee. ***Madrigal v. Huntington Beach Market Broiler, Inc.,*** Orange County, Case No. 30-2012-00611260. Wage and Hour Class Action seeking past wages for overtime, meal and rest period violations, reimbursements, and penalties on behalf of non-exempt employees employed by Defendant in California. Plaintiff counsel appointed as lead counsel. Case settled. Final Approval granted, no objections and funds fully distributed.

ff. ***Vang v. Jazz Semiconductor, Inc.,*** Orange County, Case no. 30-2011-00460278. Wage and Hour Class Action seeking past wages for overtime, meal and rest period violations, reimbursements, and penalties on behalf of non-exempt production workers employed by Defendant in California. Plaintiff counsel appointed as lead counsel. Case settled. Final Approval granted, no objections and funds fully distributed.

69. Christina Lucio has been Of Counsel to James Hawkins APLC since 2015. Ms. Lucio graduated from the University of California, Riverside with a Bachelor of Arts Degree. Following graduation, I attended the University of Southern California, Gould School of Law (USC Law School). At various points during law school, she worked with the USC Post-Conviction Justice Project, the Western Center for Disability Rights and the Barrister's Domestic Violence Clinic. During the Summer of 2005, she was a law clerk for the Law Offices of Bruce Austin (Safeco Insurance). In 2007, while a full-time law student, she was also a Judicial Extern for the Honorable Sandra Ikuta, United States Court of Appeals, Ninth Circuit. Thereafter, in 2007, Ms. Lucio graduated from the USC Law School. The same year, she was admitted to practice law in the State of California.

70. From 2007 until 2010, Ms. Lucio was an associate with Troutman Sanders LLP in San Diego (formerly Ross, Dixon, & Bell). As an associate, she assisted with the litigation of general business and labor & employment matters on an individual and class-wide basis. Ms. Lucio assisted with the representation of both employers and employees. She also assisted employers on issues related to compliance with employment laws.

71. From 2011 until 2012, Ms. Lucio was an associate with Wilson Turner Kosmo LLP. As an associate, she assisted with the litigation of labor & employment matters on an individual and class-wide basis solely on the side of management. She also assisted employers on issues related to compliance with employment laws.

72. In 2012, Ms. Lucio started her own private practice where she has litigated a wide variety of matters on both the plaintiff and defense side, including individual actions, as well as consumer and employment class actions.

73. Since 2015, Ms. Lucio has also been of counsel to the law firm of James Hawkins APLC. In that capacity, her work has been focused on employment litigation and complex class actions. In her practice as a class action plaintiffs' attorney, she have been involved in litigating, mediating and settling numerous class actions dealing with class sizes ranging from several hundred to thousands of class members resulting in settlements ranging from six figures to multimillion dollar settlements.

74. The following is a non-exhaustive list of class actions Ms. Lucio has successfully litigated with James Hawkins APLC as one of the counsels of record: Placencia v. Amcor Packaging Distribution, Inc., Orange County Superior Court, Case No. 30-2013-00694012-CU-OE-CXC; Trani v. Lisi Aerospace, et al., Los Angeles Superior Court, Case No. BC495527; Galvan v. Goodwin Co., Orange County Superior Court, Case No. 30-2013-00637062-CU-OE-CXC; Reyes v. Bristol Fiberlite, Orange County Superior Court, Case No. 30-2013-00653425-CU-OE-CXC; Gutierrez v. HMT Tank, USDC Central Dist., Case No. CV14-1967-CAS(MANx); Williams v. Il Fornaio America Corp., Sacramento County, 34-2011-0009616; Aguilar v. 7-Eleven, Inc., Orange County, Case No. 30-2009-002687141-CU-OE-CXC; Madrigal v. Huntington Beach Market Broiler, Inc., Orange County, Case No. 30-2012-00611260; Vang v. Jazz Semiconductor, Inc., Orange County, Case no. 30-2011-00460278; Cano v. Financial Statement Services, Inc., Orange County, Case No. 30-2013-00653349-CU-OE-CXC; Gonzalez v. Quality Aluminum Force, LLC, Orange County, Case No. 30-2015-00817941-CU-OE-CXC; Smith v. Space Exploration Technologies Corp., Los Angeles County Case No. BC554258; Madrigal v. Balda C Brewer, Inc., 30-2015-00820218-CU-OE-CXC; Mendez v. Liberty Glass Fabricators, Inc., Riverside County Case No. RIC1800119; Aguilar v. LDI Mechanical, Inc., Riverside County Case No. RIC1610019. 8.

75. In addition, Mitchell Murray has been one of the primary attorneys responsible for this case. Mr. Murray received his bachelor’s degree from the University of California, San Diego

and my Juris Doctor degree from California Western University. He has practiced law in California since 2012.

76. Since 2016, Mr. Murray's primary practice has been wage and hour class and representative actions and individual employment matters.

77. Mr. Murray is also Of Counsel at the law firm James Hawkins APLC where he is currently litigating numerous wage and hour class action and representative action cases in the Los Angeles Superior Courts, the Orange County Superior Courts, the San Diego County Superior Courts, and the United States District Courts for the Central, Southern, and Eastern Districts of California.

78. Mr. Murray has been certified as Class Counsel in a number of wage and hour class actions, including but not limited to: *Vigueras v. Red Robin International, Inc.*, USDC Central Dist. Case No. SACV 17-1422 JVS (DFMx); *Aguilar v. Peach Home Services, Inc.*, et al., Riverside Superior Court Case No. RIC1823057; *Ross v. Stater Bros.,* San Bernardino Superior Court Case No. CIVDS1902518; *Robles v. Jetro Holdings, LLC,* San Diego Superior Court Case No. 37-2021-00015414-CU-OE-CTL; *Shay v. Apple, Inc.,* United States District Court for the Southern District of California Case No. 3:20-cv-1629-JO-BLM; *Garcia/Moore v. Sysco Riverside, Inc.*, Riverside Superior Court Case No. CVRI2103935; *Bendorf, et al. v. SeaWorld*, San Diego Superior Court Case No. 37-2021-00034922-UC-OE-CTL; *Granados v. Hyatt Corporation*, Southern District of California Case No. 3:23-cv-01001; *Aguilar v. Owens-Brockway Glass Container, Inc.*, Los Angeles Superior Court Case No. 21STCV33017; and *Javier v. Helena Agri-Enterprises, LLC,* Fresno Superior Court Case No. 22CECG02269.

79. The Parties' Settlement asks the Court to award in attorneys' fees what would be 35% of the Gross Settlement Amount ($3,400,000), or $1,190,000.00, to Class Counsel. (Id. § III.O.5). Given the extensive efforts of counsel, 35% of the Gross Settlement Amount is respectfully believed to be a reasonable award. Our firm has borne the entire risk and cost of this litigation on a pure contingency basis. The legal issues raised in this case were complex and drew significantly upon the experience of Class Counsel. The proposed attorneys' fees accurately

reflect the legal marketplace and are within the range of customarily approved fees by California courts.

80. Despite the complexity of the case, Class Counsel has, through our investment of substantial effort and resources, secured an outstanding settlement on behalf of the Class Members. The issues and arguments Class Counsel has encountered and overcome in arriving at the parties' negotiated settlement terms were also many and complex and required skillful advocacy that can arise only out of experience, professional perspective, and success. Plaintiff would have faced substantial legal and factual obstacles in demonstrating that Class certification was appropriate and that they would prevail on the merits in light of Defendant's asserted defenses. Still, Class Counsel has negotiated a substantial settlement on behalf of the Class for such claims. Plaintiff would have also been required to establish a significant amount of witness testimony, pattern and practice evidence, statistical evidence, sampling evidence, expert testimony, and other evidence in order to evaluate and present arguments at both class certification and trial. Defendant has vigorously challenged the claims pled in the operative complaint, contested liability, the amount of claimed damages, the propriety of Class Certification, and would have continued to do so through trial. Accordingly, Class Counsel believes the Settlement to be fair, reasonable, and adequate and that it is in the best interest of the Class Members. The fairness and adequacy of the Settlement is confirmed by all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation, the various defenses asserted by Defendant, and numerous potential appellate issues. Defendant and Defendant's Counsel also agree that the settlement is fair, reasonable and adequate.

81. Plaintiff and Class Counsel respectfully submit the fees and costs provision of the Settlement is fair and reasonable both when cross-checked under the lodestar and common fund method. The total billable hours that counsel have invested and will invest in prosecuting this action, should this honorable Court approve the settlement, is substantial. I respectfully submit that our fees and costs request is fair and reasonable because we have personally expended substantial time and effort in achieving the proposed Settlement, including the following tasks: investigating the factual and legal basis of the action; analyzing documents provided by Plaintiffs,

including time and payroll documents and policy documents; investigating Defendant's organization and structure from publicly available information; preparing the Complaint and the First Amended Complaint; preparing and reviewing informal document and data discovery requests; engaging in meet and confer efforts regarding informal discovery; reviewing and analyzing hundreds of pages of document, including a significant volume of time and payroll data; conversations with defense counsel regarding the claims alleged in this action, and the information needed for analysis, preparing complex damages analysis and extrapolation of damages to the entire Class; preparing for and attending a full day of mediation; negotiating and finalizing a Settlement with Defendant's Counsel in the months following mediation; soliciting proposals from settlement administrators; and drafting the preliminary approval motion and supporting papers. As such, I respectfully submit that a lodestar cross-check will support the reasonableness of the requested fees, and a low multiplier, if any, need be applied to reach the requested fee allocation.

82. I submit that the requested attorneys' fees of $1,190,000, or 35% the Gross Settlement Amount that Class Counsel has obtained on behalf of the Class Members, is fair and reasonable, as are the hourly rates at which our attorneys bill. The fee request (at final approval) will be supported by a detailed explanation of the qualifications of each timekeeper, and their corresponding hourly rate, along with an explanation of the amount of time performed on the various tasks performed on behalf of Plaintiff and the Class Members.

83. The Settlement that Class Counsel has negotiated on behalf of the Class confronts exceedingly difficult and individualized issues which make certification and proof of merits challenging and work intensive. I and our firm's attorneys and paralegals have secured this Settlement through persistent advocacy of the class claims, which has applied legal nuances and negotiation techniques to achieve a very favorable result for the Class Members. Other attorneys without our experience and comprehensive knowledge and perspective in connection with complex employment litigation would not have been able to achieve such superior settlement terms on behalf of the Class and would not have been able to do so in the time in which we accomplished settlement. I believe the requested amount of up to $1,190,000.00 in attorneys' fees

under the Settlement is a reasonable allocation given the excellent result we have secured for the Class Members.

84. In serving as Plaintiff's counsel and Class Counsel in this matter, Class Counsel will also seek reimbursement for the out-of-pocket costs up to $30,000. (*Id.* § III.O.5). Any sums not awarded will be available for distribution to the Class as part of the Net Settlement Amount. I will provide the Court with a detailed summary of the total costs at the time of the Final Approval Motion. I believe that all of these fees and costs are reasonable and necessarily incurred in litigating this matter and in pursuit of the settlement. (*Id.*).

85. The Parties in this action have agreed that the Individual Settlement Payment checks to Class Members will remain valid for one hundred eighty (180) calendar days and shall be canceled thereafter. Funds associated with such canceled Settlement Payment checks will be deposited by the Settlement Administrator pursuant to the Court's order with the *cy pres* recipient, Legal Aid at Work. (*Id.* §§ III.O.3). The monetary value of the anticipated awards for Class Members is substantial, and the Parties believe that allocating the unclaimed funds to Legal Aid at Work will provide benefits to residents of the state of California which are congruent to the aims of the instant action. Neither Class Counsel nor the Class Representatives have any known interest, financial or otherwise, in the *cy pres* recipient.

NOTICE TO LWDA

86. On February 13, 2025, a copy of the proposed Settlement Agreement was submitted to the Labor Workforce and Development Agency. A true and correct copy of the submission confirmation is attached hereto as **Exhibit 2**.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on February 13, 2025 in Irvine, California.

James R. Hawkins

Exhibit 1

JAMES HAWKINS APLC
James R. Hawkins (SBN 192925)
Christina M. Lucio (SBN 253677)
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Attorneys for Plaintiff BRANDY L. SKUTLEY, individually and on behalf of herself and all others similarly situated.

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Attorneys for Plaintiff
TIMOTHY MILLER, individually, and on behalf of all others similarly situated.

This Stipulation of Class and Representative Action Settlement and Release of Claims is entered into by and between Plaintiffs Brandy L. Skutley and Timothy Miller, as individuals and behalf of the Settlement Class and the California Labor and Workforce Development Agency ("Plaintiffs"); and Defendants Walgreen Co. and Walgreens Boots Alliance, Inc. ("Defendants").

I. DEFINITIONS

A. "Action" means the lawsuit entitled *Brandy L. Skutley, on behalf of herself individually and all others similarly situated v. Walgreen Co., an Illinois corporation; and DOES 1-50, inclusive,* filed on April 10, 2023 in the Superior Court for the State of California, County of Yolo Case No. CV2023-0740.

B. "Agreement," "Settlement," "Settlement Agreement," or "Stipulation" means this Stipulation of Class and Representative Action Settlement and Release of Claims.

C. "Class" or "Class Members" means all current and former hourly-paid, non-exempt employees who worked for Defendant Walgreen Co. at one of its California distribution centers during the Class Period.

D. "Class Data" means information regarding Class Members that Defendants will, in good faith, compile from their records and provide to the Settlement Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall include the following information for each Class Member: (1) employee identification number; (2) full name; (3) last known address; (4) Social Security number; (5) the number of weeks each Class Member worked during the Class Period; and (6) the number of pay periods each PAGA Employee worked during the PAGA Period.

E. "Class Period" means the period from June 3, 2020, through April 1, 2024.

F. "Class Released Claims" means any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney's fees, damages, action or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, that are alleged, or that reasonably could have been alleged based on the same facts, theories of liability, and claims alleged in the Action, including, but not limited to: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay wages during employment; (6) failure to timely pay wages owed upon separation from employment; (7) knowing and intentional failure to comply with itemized wage statement provisions; (8) violation of the Unfair Competition Law; and (9) failure to reimburse for business expenses. This release shall include, without limitation, claims that were raised, or that reasonably could have been raised based on the same facts, theories of liability, and claims alleged in the Action under the applicable Wage Orders and California Labor Code provisions, including Labor Code §§ 201-204, 210, 218.5, 218.6, 221-224, 226, 226.3, 226.7, 245-249, 510, 512, 516, 558, 1174, 1194, 1194.2, 1195, 1197, 1198 and/or 2802, based on alleged violations of these Labor Code provisions (collectively, the "Class Released Claims"). The period of the Class Released Claims shall be the Class Period. The Parties agree that the judgment, and release of claims provided herein, shall have *res judicata* effect. The definition of Class Released Claims shall not be limited in any way by the possibility that Plaintiffs or Settlement Class Members may discover new facts or legal theories or legal arguments not alleged in the operative pleading in the Action but which might serve as an alternative basis for pursuing the same claims, causes of action or legal theories of relief falling within the definition of Class Released Claims.

G. "Class Representative" means Plaintiffs Brandy L. Skutley and Timothy Miller in their capacity as representatives of the Class Members.

H. "Compensable Workweeks" means the total number of weeks during the Class Period in which Settlement Class Members worked at least one hour.

I. "Court" means the court with which the motions for preliminary and final approval of this Settlement are filed.

J. "Defendants" mean Walgreen Co. and Walgreens Boots Alliance, Inc.

K. "Enhancement Payment" means the amounts that the Court authorizes to be paid to Plaintiffs, in addition to their Individual Settlement Payments, in recognition of their efforts and risks in assisting with the prosecution of the Action and in exchange for executing the General Release provided herein.

L. "Effective Date" means the date on which the time for appeal of the Final Judgment and Order Granting Final Approval of Class Action Settlement expires; or, if an appeal is timely filed, there is a final resolution of any appeal from the Judgment and Order Granting Final Approval of Class Action Settlement.

M. "Gross Settlement Amount" means the maximum total payment of Three Million Four Hundred Thousand Dollars and Zero Cents ($3,400,000.00), which includes the Individual Settlement Payments, the Enhancement Payments, the Plaintiffs' Counsel Award, PAGA Payment, PAGA Settlement Awards, and the Settlement Administration Costs.

N. "Individual Settlement Payment" means the amount payable from the Net Settlement Amount to each Settlement Class Member.

O. "Net Settlement Amount" means the Gross Settlement Amount, less the approved Enhancement Payments, Plaintiffs' Counsel Award, PAGA Payment, PAGA Settlement Awards, and Settlement Administration Costs.

P. "Notice Packet" means the Notice of Class and Representative Action Settlement in a form substantially similar to the form attached hereto as Exhibit 1.

Q. "PAGA" means the California Labor Code Private Attorneys General Act of 2004 (Lab. Code §§ 2698 *et seq*.)

R. "PAGA Claims" mean all claims for penalties under the PAGA actually alleged or that could have been alleged based on the facts alleged in the Action.

S. "PAGA Employee" means all current and former hourly-paid, non-exempt employees who worked for Defendant Walgreen Co. at one of its California distribution centers during the PAGA Period.

T. "PAGA Payment" means the payment made hereunder to the California Labor and Workforce Development Agency (LWDA) pursuant to PAGA.

U. "PAGA Period" shall mean the period from April 10, 2022, through April 1, 2024.

V. "PAGA Released Claims" means all claims for civil penalties under the PAGA that are alleged or that reasonably could have been alleged based on the same facts and theories of liability alleged in the Action, including, but not limited to claims for penalties pursuant to PAGA due to Defendants' alleged: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay wages during employment; (6) failure to timely pay wages owed upon separation from employment; (7) knowing and intentional failure to comply with itemized wage statement provisions;(8) failure to reimburse for business expenses; (9) failure to keep accurate records; (10) failure to pay sick pay; (11) failure to provide COVID-19 supplemental paid sick pay; and (12) unlawful background/consumer credit reports. This release shall include, without limitation, claims for penalties pursuant to PAGA that were raised, or that reasonably could have been raised based on the same facts and theories of liability alleged in the Action, under the applicable Wage Orders and California Labor Code provisions, including Labor Code §§ 201-204, 210, 218.5, 218.6, 221-224, 226, 226.3, 226.7, 245-249, 510, 512, 516, 558, 1024.5, 1174, 1194, 1194.2, 1195, 1197, 1198 and/or 2802, based on alleged violations of these Labor Code provisions (collectively, the "PAGA Released Claims"). The period of the PAGA Released Claims shall be the PAGA Period. The Parties agree that the judgment, and release of claims provided herein, shall have *res judicata* effect. The definition of PAGA Released Claims shall not be limited in any way by the possibility that Plaintiffs or PAGA Employees may discover new facts or legal theories or legal arguments not alleged in the operative pleading in the Action but which might serve as an alternative basis for pursuing the same claims, causes of action or legal theories of relief falling within the definition of PAGA Released Claims.

W. "PAGA Settlement Amount" shall mean the One Hundred Seventy Thousand Dollars and Zero Cents ($170,000.00) of the Gross Settlement Amount that is allocated to resolving the PAGA Claims.

X. "PAGA Settlement Award" shall mean the pro-rata share of the PAGA penalties allocated to the settlement of the PAGA Claims to which the PAGA Employee is entitled based on the number of weeks they worked during the PAGA Period.

Y. "Parties" means Plaintiffs and Defendants, collectively, and "Party" shall mean either Plaintiffs or Defendants, individually.

Z. "Payment Ratio" means the respective Compensable Workweeks for each Settlement Class Member divided by the total Compensable Workweeks for all Settlement Class Members.

AA. "Plaintiffs" mean Brandy L. Skutley and Timothy Miller.

BB. "Plaintiffs' Counsel" or "Plaintiffs' Co-Counsel" means James Hawkins APLC and Matern Law Group, PC.

CC. "Plaintiffs' Counsel Award" means attorneys' fees for Plaintiffs' Counsels' litigation and resolution of the Action and their expenses and costs incurred in connection with the Action, paid from the Gross Settlement Amount.

DD. "Preliminary Approval Date" means the date on which the Court enters an order granting preliminary approval of the Settlement.

EE. "Released Parties" means Defendants and their current and former parents, subsidiaries, predecessors or successors, holding companies, affiliated companies or entities, including owners, shareholders, members, partners, officers, directors, managers, employees and agents.

FF. "Request for Exclusion" means a written statement signed by the Class Member requesting exclusion containing the Class Member's name, address and telephone number to be mailed by Class Members who wish to opt out of the Settlement Class. To be effective, the Request for Exclusion must be post-marked by the Response Deadline and received by the Settlement Administrator.

GG. "Response Deadline" means the date forty-five (45) days after the Settlement Administrator mails Notice Packets to Class Members and the last date on which Class Members may submit Requests for Exclusion or Objections to the Settlement.

HH. "Settlement" means the disposition of the Action pursuant to this Agreement.

II. "Settlement Administrator" means CPT Group, Inc.

JJ. "Settlement Class Members" or "Settlement Class" means all current and former hourly-paid, non-exempt employees who worked for Defendant Walgreen Co. at one of its California distribution centers during the Class Period and who do not submit a timely and valid Request for Exclusion, as provided in this Agreement, or who did not previously release the Released Claims under a separate agreement.

II. <u>RECITALS</u>

A. On April 10, 2023, Plaintiff Brandy L. Skutley ("Skutley") filed her Complaint for Damages, a class action asserting the following causes of action: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay wages during employment; (6) failure to timely pay wages owed upon separation from employment; (7) knowing and intentional failure to comply with itemized wage statement provisions; and (8) violation of the Unfair Competition

Law. Plaintiff Skutley alleged her claims individually and on behalf of all current and former hourly-paid, non-exempt employees who worked for Defendant Walgreen Co. in California from April 10, 2019 through the present.

B. On May 19, 2023, Plaintiff Skutley filed her Complaint for Damages for Civil Penalties Under Private Attorneys General Act, Labor Code Section 2698 et seq. in Yolo County Superior Court, styled *Brandy L. Skutley, individually and on behalf of herself and all others similarly situated v. Walgreen Co., an Illinois Corporation, and DOES 1-50, inclusive*, Case No. CV2023-1011. Plaintiff Skutley sought to recover Private Attorneys General Act penalties for Defendant Walgreen Co.'s alleged: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay wages during employment; (6) failure to timely pay wages owed upon separation from employment; (7) knowing and intentional failure to comply with itemized wage statement provisions; (8) failure to keep accurate records; (9) failure to pay sick leave; (10) failure to provide COVID-19 supplemental paid sick leave; and (11) unlawful background/credit checks.

C. On June 5, 2023, Plaintiff Timothy Miller ("Miller") filed his Complaint in Los Angeles County Superior Court, styled *Timothy Miller, individually, and on behalf of all others similarly situated v. Walgreen Co., an Illinois corporation; Walgreens Distribution Center, a business entity of unknown form; Walgreens Boots Alliance, Inc., a Delaware corporation; and DOES 1 through 50, inclusive*, Case No. 23STCV12846, a class action and Private Attorneys General Act action asserting the following causes of action: (1) failure to provide required meal periods; (2) failure to provide required rest periods; (3) failure to pay overtime wages; (4) failure to pay minimum wages; (5) failure to timely pay all wages due to discharged and quitting employees; (6) failure to furnish accurate itemized wage statements; (7) failure to maintain required records; (8) failure to indemnify employees for necessary expenditures incurred in discharge of duties; (9)

unfair and unlawful business practices; and (10) penalties under the Labor Code Private Attorneys General Act. Plaintiff Miller alleged his claims individually and on behalf of all current and former non-exempt employees of Defendants in the State of California at any time from June 5, 2019 through the present.

D. On October 4, 2024, Plaintiffs filed the operative First Amended Class and Representative Action Complaint, which: (1) added Walgreens Boots Alliance, Inc. as a defendant; (2) added Timothy Miller as a named plaintiff; and (3) added a cause of action for failure to reimburse for business expenses.

E. Through substantial informal discovery, Defendants provided Plaintiffs' Co-Counsel with, *inter alia*, relevant written policies, data including the total number of Class Members and PAGA Employees, the number of former Class Members and PAGA Employees, the number of workweeks that the Class Members worked during the Class Period and the number of workweeks that the PAGA Employees worked during the PAGA period, and the Class Members' average hourly rate of pay.

F. On January 31, 2024, the Parties attended private mediation with an experienced mediator, Gig Kyriacou. The Parties reached a settlement, as provided herein, to settle Plaintiffs' claims on a class and representative basis.

G. Defendants expressly deny any liability or wrongdoing of any kind associated with the claims alleged in the Action, dispute the damages and penalties claimed by Plaintiffs, and further contend that, for any purpose other than settlement, Plaintiffs' claims are not appropriate for class or representative action treatment. Defendants contend, among other things, that, at all times, they have complied with the California Labor Code, California Business & Professions Code and the Industrial Welfare Commission Wage Orders.

H. Plaintiffs' Co-Counsel conducted an investigation into the facts relevant to the Action, including reviewing documents and information provided by Defendants. Based on their own independent investigation and evaluation, Plaintiffs' Co-Counsel are of the opinion that the Settlement with Defendants is fair, reasonable and adequate and in the best interest of the Class Members and PAGA Employees in light of all known facts and circumstances, including the risks of significant delay, defenses asserted by Defendants, uncertainties regarding a class and representative action trial on the merits and numerous potential appellate issues. Although Defendants deny any liability, Defendants are agreeing to this Settlement solely to avoid the cost of further litigation. Accordingly, the Parties and their counsel desire to fully, finally and forever settle, compromise and discharge all disputes and claims arising from or relating to the Action on the terms set forth herein.

III. TERMS OF AGREEMENT

A. Settlement Consideration. Defendants shall be responsible for funding the Gross Settlement Amount. The following will be paid out of the Gross Settlement Amount: the sum of the Individual Settlement Payments, the Enhancement Payments, the Plaintiffs' Counsel Award, PAGA Payment, PAGA Settlement Awards, and the Settlement Administration Costs, as specified in this Agreement. In no event shall Defendants be required to pay more than the Gross Settlement Amount, subject to the Escalator Clause as described herein, and except that Defendants shall pay any employer-side taxes due on the Individual Settlement Payments in addition to the Gross Settlement Amount.

B. Escalator Clause. The Gross Settlement Amount was negotiated based on the understanding that there were approximately 196,250 workweeks worked by the Class Members between June 3, 2020 and January 31, 2024. If the actual number of workweeks worked by the Class Members between June 3, 2020 and January 31, 2024 is more than ten percent (10%) greater than this figure (*i.e.*, there are more than 215,875 workweeks), then Defendants agree to increase the Gross Settlement Amount on a pro-rata basis for any workweek added above the 10% (*e.g.*., if there was an eleven percent (11%) increase in the number of workweeks worked by Class Members, Defendants would agree to increase the Gross Settlement Amount by one percent (1%)). Defendants may, at their sole option, cap the number of workweeks in the release at 196,250 by shortening the Class Period so that it ends on the date when 196,250 workweeks have been worked.

C. Release By All Settlement Class Members. As of the Effective Date, in exchange for the consideration set forth in this Agreement, Plaintiffs and the Settlement Class Members release the Released Parties from the Class Released Claims for the Class Period. Plaintiffs and the Settlement Class Members may hereafter discover facts or legal arguments in addition to or different from those they now know or currently believe to be true with respect to the claims, causes of action and legal theories of recovery in each case which are the subject matter of the Class Released Claims. Regardless, the discovery of new facts or legal arguments shall in no way limit the scope or definition of the Class Released Claims, and by virtue of this Agreement, Plaintiffs and the Settlement Class Members shall be deemed to have, and by operation of the final judgment approved by the Court, shall have, fully, finally, and forever settled and released all of the Class Released Claims as defined in this Agreement.

D. Release By All PAGA Employees. As of the Effective Date, in exchange for the consideration set forth in this Agreement, Plaintiffs and the PAGA Employees release the Released Parties from the PAGA Released Claims for the PAGA Period. Plaintiffs and the PAGA Employees may hereafter discover facts or legal arguments in addition to or different from those they now know or currently believe to be true with respect to the claims, causes of action and legal theories of recovery in this case which are the subject matter of the PAGA Released Claims. Regardless, the discovery of new facts or legal arguments shall in no way limit the scope or definition of the PAGA Released Claims, and by virtue of this Agreement, Plaintiffs and the PAGA Employees shall be deemed to have, and by operation of the final judgment approved by the Court, shall have, fully, finally, and forever settled and released all of the PAGA Released Claims as defined in this Agreement.

E. General Release By Plaintiffs. As of the Effective Date, in exchange for the consideration set forth in this Agreement, Plaintiffs, for themselves and their heirs, successors and assigns, do hereby waive, release, acquit and forever discharge the Released Parties from any and all claims, actions, charges, complaints, grievances and causes of action, of whatever nature, whether known or unknown, which exist or may exist on Plaintiffs' behalf as of the date of this Agreement, including, but not limited to, any and all tort claims, contract claims, wage claims, wrongful termination claims, disability claims, benefit claims, public policy claims, retaliation claims, statutory claims, personal injury claims, emotional distress claims, invasion of privacy claims, defamation claims, fraud claims, *quantum meruit* claims and any and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance, including, but not limited to, claims for violation of the Fair Labor Standards Act (FLSA), the California Labor Code, the Wage Orders of California's Industrial Welfare Commission, other state wage and hour laws, the Americans with Disabilities Act, the Age Discrimination in Employment Act (ADEA), the Employee Retirement Income Security Act, Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Family Rights Act, the Family Medical Leave Act, California's Whistleblower Protection Act, California Business & Professions Code Section 17200 *et seq*. and any and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance. Plaintiffs hereby expressly waive and relinquish any and all claims, rights or benefits that they may have under California Civil Code § 1542, which provides as follows:

> ***A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have***

materially affected his or her settlement with the debtor or released party.

Plaintiffs may hereafter discover claims or facts in addition to, or different from, those which they now know or believe to exist, but Plaintiffs expressly agree to fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist on behalf of or against the other at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiffs' employment with Defendants, except the foregoing General Release shall not extend to those rights, as a matter of law, that cannot be waived by Plaintiffs, including, but not limited to, workers' compensation claims. The Parties further acknowledge, understand and agree that this representation and commitment is essential to the Agreement and that this Agreement would not have been entered into were it not for this representation and commitment.

F. Certification of the Class. The Parties stipulate to conditional class certification of the Class for the Class Period for purposes of settlement only. In the event that this stipulation is not approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendants from obtaining a complete resolution of the claims as described herein, the conditional class certification (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural.

G. Nullification of Settlement Agreement. In the event that this Settlement Agreement is not preliminarily or finally approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendants from obtaining a complete resolution of the claims as described herein:

1. This Settlement Agreement shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural;

2. The conditional class certification (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural; and

3. None of the Parties to this Settlement will be deemed to have waived any claims, objections, defenses or arguments in the Action, including with respect to the issue of class certification.

H. Tax Liability. The Parties make no representations as to the tax treatment or legal effect of the payments called for hereunder, and Settlement Class Members and PAGA Employees are not relying on any statement or representation by the Parties in this regard. Settlement Class Members and PAGA Employees understand and agree that they will be responsible for the payment of any employee taxes and penalties assessed on the Individual Settlement Payments and PAGA Settlement Awards described herein and will hold the Parties free and harmless from and against any claims, liabilities, costs and expenses, including attorney's fees, resulting in any way from personal tax treatment of the payments made pursuant to this Agreement, including the treatment of such payments as not subject to withholding or deduction for payroll and employment taxes (except for any obligation of Defendants to pay their share of employer taxes, if any). Defendants' share of any employer payroll taxes and other required employer withholdings due on the Individual Settlement Payments, including, but not limited to, Defendants' FICA and FUTA contributions, shall be paid separate and apart from the Gross Settlement Amount.

I. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section, the "acknowledging party" and each Party to this Agreement other than the acknowledging party, an "other party") acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department circular 230 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party, and (3) no attorney or adviser to any other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

J. Preliminary Approval Motion. Plaintiffs shall file with the Court a Motion for an Order Granting Preliminary Approval and supporting papers, which shall include this Settlement Agreement. Any dispute regarding forms of notices and other documents necessary to implement the Settlement contained in the Stipulation, if not timely resolved among the Parties, shall be referred to the Court. The Parties shall seek a prompt hearing date to obtain preliminary approval of the Settlement.

K. Settlement Administrator. The Settlement Administrator shall be responsible for: (a) calculating, processing and mailing the Enhancement Payments and payments to Plaintiffs' Co-Counsel, the LWDA, Settlement Class Members, and PAGA Employees; (b) printing and mailing the Notice Packets to the Class

Members and PAGA Employees as directed by the Court; (c) receiving and reporting the objections and requests for exclusion; (d) distributing tax forms to the Settlement Class Members and PAGA Employees; (e) providing declaration(s), as necessary, in support of preliminary and/or final approval of this Settlement; and (f) other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities.

L. Settlement Administration.

1. Class Data. No later than ten (10) business days after the Preliminary Approval Date, Defendants shall provide the Settlement Administrator with the Class Data for purposes of preparing and mailing Notice Packets to Class Members and PAGA Employees. The Class Data shall be confidential. The Settlement Administrator shall not provide the Class Data to Plaintiffs' Co-Counsel, Plaintiffs, or any third party, or use the Class Data or any information contained therein for any purpose other than to administer this Settlement.

2. Notice Packets.

a) The Notice Packet shall contain the Notice of Class and Representative Action Settlement in a form substantially similar to the form attached hereto as Exhibit 1. The Notice of Class and Representative Action Settlement shall set forth the material terms of the Settlement, including the release to be given by all PAGA Employees and all members of the Settlement Class. The Notice Packet also shall be individualized by including the Compensable Workweeks for the individual Class Member and the estimated amount of their Individual Settlement Payment. The Notice Packet will also include the number of pay periods worked during the PAGA period by both the individual employee and the estimated amount of their PAGA Settlement Award.

b) The Notice Packet's mailing envelope shall include the following language: "IMPORTANT LEGAL DOCUMENT - YOU MAY BE

ENTITLED TO MONEY FROM A CLASS AND REPRESENTATIVE ACTION SETTLEMENT."

3. Notice By First Class U.S. Mail. Upon receipt of the Class Data, the Settlement Administrator will perform a search based on the National Change of Address Database and/or similar database(s) to update and correct any known or identifiable address changes. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Class Member and PAGA Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Class Member and PAGA Employee. In the event more than one address is identified, the Settlement Administrator shall mail to each potentially valid address.

4. Undeliverable Notices. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address by lawful use of skip-tracing, or other search using the name, address and/or Social Security number of the Class Member or PAGA Employee involved, and shall then perform a re-mailing, if another mailing address is identified by the Settlement Administrator. Class Members who received a re-mailed Notice Packet shall have their Response Deadline extended fifteen (15) days from the original Response Deadline.

5. Disputes Regarding Individual Settlement Payments or PAGA Settlement Awards. Class Members and PAGA Employees will have the opportunity, should they disagree with Defendants' records regarding the Compensable Workweeks or the number of weeks worked during the PAGA Period stated on the Notice of Class and Representative Action Settlement, to provide documentation and/or an explanation to show contrary Compensable Workweeks or weeks worked during the PAGA Period. If there is a dispute, the Settlement

Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments or PAGA Settlement Awards under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for an amount of any Individual Settlement Payment or PAGA Settlement Award shall be binding upon the Settlement Class Member, the PAGA Employee, and the Parties.

6. Disputes Regarding Administration of Settlement. Any disputes not resolved by the Settlement Administrator concerning the administration of the Settlement will be resolved by the Court under the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties will meet and confer in good faith to resolve the disputes without the necessity of involving the Court.

7. Request for Exclusion. The Notice of Class and Representative Action Settlement contained in the Notice Packet shall state that Class Members who wish to exclude themselves from the Settlement must submit to the Settlement Administrator a signed, written statement requesting exclusion from the Settlement. The written statement must contain the Class Member's name, address, telephone number, and either the Class Member's Social Security number or employee identification number. The Request for Exclusion will not be valid if it is not timely submitted by the Response Deadline and received by the Settlement Administrator. The date of the postmark on the return mailing envelope on the Request for Exclusion shall be the exclusive means used to determine whether the Request for Exclusion was timely submitted. Any Class Member who requests to be excluded from the Class will not be entitled to receive an Individual Settlement Payment and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon. Notwithstanding a timely Request for Exclusion, Class Members who are also PAGA Employees are still deemed PAGA

Employees for purposes of this Settlement and shall receive a PAGA Settlement Award and be bound by the PAGA Released Claims. Class Members who fail to submit a valid and timely written Request for Exclusion on or before the Response Deadline shall be bound by all terms of the Settlement and any final judgment entered in this Action if the Settlement is approved by the Court. No later than five (5) calendar days after the Response Deadline, the Settlement Administrator shall provide counsel for the Parties with the final number of Class Members who have timely submitted Requests for Exclusion. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage members of the Class to submit Requests for Exclusion from the Settlement.

M. Objections. All written objections and supporting papers ("Notice of Objection") must be signed by the Class Member, or an attorney representing the Class Member, and state: (a) the full name of the Class Member; (b) the dates of employment of the Class Member; (c) the last four digits of the Class Member's Social Security number and/or the Employee ID number; (d) a statement of the Class Member's objections, and (e) the name of the case and case number, *Skutley v. Walgreen Co. et al.,* Case No. CV2023-0740. The Notice of Objection must be filed or postmarked on or before the Response Deadline. Class Members may also orally object to the Settlement without first providing a written objection to the Settlement Administrator. Class Members may, but are not required to, appear at the Final Approval/Settlement Fairness Hearing in order to have their objections heard by the Court. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to file or serve written objections to the Settlement or appeal from the Order and Final Judgment. Class Members who submit a Request for Exclusion are not entitled to object to the Settlement.

N. Funding and Allocation of the Gross Settlement Amount. Defendants agree to fund Gross Settlement Amount no later than five (5) calendar days after the Effective Date.

O. Individual Settlement Payments. Individual Settlement Payments shall be paid from the Net Settlement Amount and shall be paid pursuant to the formula set forth herein.

a) Calculation of Individual Settlement Payments. Using the Class Data, the Settlement Administrator will calculate the total Compensable Workweeks for all Settlement Class Members by adding the number of Compensable Workweeks for each Settlement Class Member during the Class Period. The respective Compensable Workweeks for each Settlement Class Member will be divided by the total Compensable Workweeks for all Settlement Class Members, resulting in the Payment Ratio for each Settlement Class Member. Each Settlement Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member's estimated Individual Settlement Payments.

b) Allocation. For tax purposes, Individual Settlement Payments shall be allocated and treated as follows: (i) twenty percent (20%) shall be allocated to wages, subject to applicable withholdings, to be reported as such to each Settlement Class Member on a W-2 form to be issued by the Settlement Administrator; and (ii) eighty percent (80%) shall be considered penalties, interest, and business expense reimbursements and shall be reported as such to each Settlement Class Member on an IRS Form 1099 to be issued by the Settlement Administrator.

1. PAGA Settlement. One Hundred Seventy Thousand Dollars and Zero Cents ($170,000.00) of the Gross Settlement Amount will be allocated to resolving the PAGA Claims ("PAGA Settlement Amount"). Seventy-five percent (75%) of the PAGA Settlement Amount will be paid to the LWDA and twenty-five percent (25%) will be paid to PAGA Employees. Each PAGA Employee's PAGA Settlement Award will be determined by dividing his or her total Compensable Workweeks during the PAGA Period by the total Compensable Workweeks worked

by all PAGA Employees during the PAGA Period. That fraction will then be multiplied by the 25% portion of the PAGA Settlement Amount to arrive at the PAGA Employee's PAGA Settlement Award. These payments to PAGA Employees shall be allocated as 100% penalties and shall be reported on an IRS Form 1099 to each PAGA Employee on an IRS Form 1099 to be issued by the Settlement Administrator. PAGA Employees will be responsible for paying any personal income taxes owed on the amounts they receive. PAGA Employees shall have no right to opt out of or not participate in the PAGA Settlement.

2. Mailing. Individual Settlement Payments and PAGA Settlement Awards shall be mailed by regular First Class U.S. Mail to Settlement Class Members' and PAGA Employees' last known mailing address no later than fourteen (14) calendar days after the Settlement Administrator receives the Gross Settlement Amount from Defendants.

3. Expiration. Any checks issued to Settlement Class Members and PAGA Employees shall remain valid and negotiable for one hundred and eighty (180) days from the date of their issuance. If a Settlement Class Member or PAGA Employee does not cash his or her settlement check within 180 days, the uncashed funds, subject to Court approval, shall be distributed *cy pres* Legal Aid at Work (www.legalaidatwork.org). In the event of such a distribution, the Settlement Administrator will cancel the tax documents associated with those uncashed checks, and the Parties will submit to the Court a revised Judgment that states the final disposition of all amounts under this Settlement, including that amount of all uncashed checks and any accrued interest, in compliance with California Code of Civil Procedure § 384. The Settlement Administrator shall not transmit any funds to the *cy pres* recipient until the Parties have provided the Settlement Administrator a revised Judgment approving the final distribution of all Settlement funds, including the aggregate amount of unclaimed funds and accrued interest, if any, to be transmitted to the *cy pres* recipient. Any revised Judgment shall require that all

unclaimed funds and any accrued interest shall be distributed to the *cy pres* recipient so that no additional funds from this Settlement remain in the custody of the Settlement Administrator. In the event that any Settlement Class Member or PAGA Employees' Individual Settlement Payment or PAGA Settlement Award checks are distributed in accordance with this paragraph, such Settlement Class Members and PAGA Employees shall nevertheless remain bound by the Settlement.

4. Enhancement Payments. Defendants agree not to oppose or object to any application or motion by Plaintiffs for Enhancement Payments of up to Ten Thousand Dollars and Zero Cents ($10,000.00) to Plaintiff Skutley and up to Ten Thousand Dollars and Zero Cents ($10,000.00) to Plaintiff Miller. The Enhancement Payments are in exchange for the General Release and for Plaintiffs' time, effort and risk in bringing and prosecuting the Action. The Settlement Administrator shall pay the Enhancement Payments to Plaintiffs from the Gross Settlement Amount no later than fourteen (14) calendar days after the Settlement Administrator receives the Gross Settlement Amount from Defendants. Any portion of the requested Enhancement Payments that are not awarded to the Plaintiffs shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. The Settlement Administrator shall issue an IRS Form 1099-MISC to Plaintiffs for their Enhancement Payments. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on their respective Enhancement Payments and shall hold harmless Defendants from any claim or liability for taxes, penalties or interest arising as a result of their respective Enhancement Payments. The Enhancement Payments shall be in addition to the Plaintiffs' Individual Settlement Payments as Settlement Class Members and PAGA Settlement Awards as PAGA Employees. In the event that the Court reduces or does not approve the requested Enhancement Payments, Plaintiffs shall not have the right to revoke the Settlement on that basis, and it will remain binding.

5. Plaintiffs' Counsel Award. Defendants agree not to oppose or object to any application or motion by Plaintiffs' Co-Counsel for attorneys' fees not to exceed thirty-five percent (35%) of the Gross Settlement Amount, which equates to One Million One Hundred Ninety Thousand Dollars and Zero Cents ($1,190,000.00). Additionally, Defendants shall not oppose an application by Plaintiffs' Co-Counsel for, and Plaintiffs' Co-Counsel shall not seek or receive an amount in excess of $30,000.00 from the Gross Settlement Amount for all litigation costs and expenses necessary to prosecute, settle and administer the Action as supported by a declaration from Plaintiffs' Co-Counsel. The Parties agree that any and all claims for reasonable attorneys' fees and costs have been settled by this Agreement and that neither Plaintiffs, Settlement Class Members, nor Plaintiffs' Co-Counsel shall seek payment of attorneys' fees or reimbursement of costs/expenses from Defendants except as set forth in this Agreement. Any portion of the requested Plaintiffs' Counsel Award that is not awarded to Plaintiffs' Co-Counsel shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. The Settlement Administrator shall pay the Plaintiffs' Counsel Award to Plaintiffs' Co-Counsel from the Gross Settlement Amount no later than fourteen (14) calendar days after the Settlement Administrator receives the Gross Settlement Amount from Defendants. Fifty percent (50%) of any award of attorney's fees approved by the Court shall be paid to James Hawkins APLC, and fifty percent (50%) of any award of attorney's fees approved by the Court shall be paid to Matern Law Group, PC. James Hawkins APLC shall be solely and legally responsible to pay all applicable taxes on the payments made to James Hawkins APLC pursuant to this paragraph; Matern Law Group, PC shall be solely and legally responsible to pay all applicable taxes on the payments made to Matern Law Group, PC pursuant to this paragraph. The Settlement Administrator shall issue IRS Form 1099-MISCs to Plaintiffs' Co-Counsel for the respective payments made to James Hawkins APLC and Matern

Law Group, PC pursuant to this paragraph. In the event that the Court reduces or does not approve the requested Plaintiffs' Counsel Award, Plaintiffs and Plaintiffs' Co-Counsel shall not have the right to revoke the Settlement on that basis, and it will remain binding.

6. PAGA Payment. The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Settlement Amount, or One Hundred Twenty-Seven Thousand Five Hundred Dollars and Zero Cents ($127,500.00) ("PAGA Payment"), to the California Labor and Workforce Development Agency ("LWDA") no later than fourteen (14) calendar days after the Settlement Administrator receives the Gross Settlement Amount from Defendants. Twenty-five percent (25%), or Forty-Two Thousand Five Hundred Dollars and Zero Cents ($42,500.00), will be distributed to PAGA Employees as described in this Agreement.

7. Settlement Administration Costs. The Settlement Administrator shall be paid for the costs of administration of the Settlement from the Gross Settlement Amount. The estimate of the Settlement Administration Costs is not to exceed $22,000.00. The Settlement Administrator shall be paid the Settlement Administration Costs no later than thirty (30) calendar days after the Settlement Administrator receives the Gross Settlement Amount from Defendants.

P. Final Approval Motion. Following the expiration of the Response Deadline, Plaintiffs shall file with the Court a Motion for an Order Granting Final Approval and Entering Judgment, which motion shall request final approval of the Settlement and the amounts payable for the Enhancement Payments, the Plaintiffs' Counsel Award, the PAGA Payment, and the Settlement Administration Costs.

1. Declaration by Settlement Administrator. The Settlement Administrator shall submit a declaration in support of Plaintiffs' Motion for an Order Granting Final Approval and Entering Judgment detailing: (a) the number of Notice Packets mailed and re-mailed to Class Members; (b) the number of

undeliverable Notice Packets; (c) the number of timely Requests for Exclusion; (d) the number of timely objections received; (e) the amount of the average and highest Individual Settlement Payment; (f) the Settlement Administration Costs; and (g) any other information as the Parties mutually agree or the Court orders the Settlement Administrator to provide.

2. Final Approval Order and Judgment. The Parties shall present a Judgment and Order Granting Final Approval of Class Action Settlement to the Court for its approval. The Final Judgment shall, among other things:

(a) Find that the Court has personal jurisdiction over all Class Members and PAGA Employees and that the Court has subject matter jurisdiction to approve this Stipulation and all exhibits thereto;

(b) Approve this Stipulation and the proposed Settlement as fair, reasonable and adequate, consistent and in compliance with all applicable requirements of the applicable rules of civil procedure, the California and United States Constitutions (including the Due Process Clauses), and any other applicable law, and in the best interests of each of the Parties and the Class Members; direct the Parties and their counsel to implement this Stipulation according to its terms and provisions; and declare this Stipulation to be binding on Plaintiffs and all other Class Members, except those who timely and properly filed Requests for Exclusion, as well as their heirs, executors and administrators, successors and assigns;

(c) Certify the Class for settlement purposes only, and find that an ascertainable class exists and a well-defined community of interest exists in the questions of law and fact involved because in the context of the Settlement: (i) there are questions of law and fact common to the Class Members which, as to the Settlement and all related matters, predominate over any individual questions; (ii) the claims of Plaintiffs are typical of the claims of the Class Members; and (iii) in negotiating, entering into and implementing the Settlement, Plaintiffs and Plaintiffs' Co-Counsel have fairly and adequately represented and protected the interests of the

Class Members;

(d) Find that the Notice and notice methodology implemented pursuant to this Stipulation: (i) constituted the best practicable notice; (ii) constituted notice that was reasonably calculated, under the circumstances, to apprise Class Members of the pendency of the Action, their right to object to or exclude themselves from the proposed Settlement and their right to appear at the Final Approval/Settlement Fairness Hearing; (iii) were reasonable and constituted due, adequate and sufficient notice to all persons entitled to receive notice; and (iv) met all applicable requirements of the applicable rules of civil procedure, the California and United States Constitutions (including the Due Process Clauses), and any other applicable law;

(e) Find that Plaintiffs' Co-Counsel adequately represented the Class for purposes of entering into and implementing the Settlement;

(f) Incorporate the Class Released Claims and PAGA Released Claims set forth in this Agreement, make the Class Released Claims and PAGA Released Claims effective as of the Effective Date and Defendants' funding of the Gross Settlement Amount and forever discharge the Released Parties from the Class Released Claims and PAGA Released Claims;

(g) Permanently bar and enjoin Plaintiffs, Class Members who have not been timely and properly excluded from the Settlement Class, PAGA Employees, and any person acting on their behalf, from filing, commencing, prosecuting, intervening in, participating in (as class members, aggrieved employees, or otherwise) or receiving any benefits or other relief from, any other lawsuit, in any state or federal court, arbitration, or administrative, regulatory or other proceeding or order in any jurisdiction based on the Class Released Claims or PAGA Released Claims;

(h) Authorize the Parties, without further approval from the Court, to agree to and to adopt such amendments, modifications and expansions of this

Agreement and all exhibits attached hereto as: (i) are consistent with the Final Judgment; and (ii) do not limit the rights of Class Members or PAGA Employees under the Agreement;

(i) Without affecting the finality of the Final Judgment, the Court shall retain continuing jurisdiction over the Action, the Parties and the Class, as well as the administration and enforcement of the Settlement. Any disputes or controversies arising with respect to the interpretation, consummation, enforcement or implementation of the Settlement shall be presented by motion to the Court; provided however, that nothing in this part shall restrict the ability of the Parties to exercise their rights under Section Q.2.a through Q.2.g, above.

R. Option to Terminate Settlement.

1. Defendants' Right to Terminate. If, after the Response Deadline, the total number of Class Members who submitted timely and valid Requests for Exclusion from the Settlement is more than five percent (5%) of all Class Members, Defendants shall, in their sole discretion, have the option to terminate this Settlement. If Defendants exercise the option to terminate this Settlement, Defendants shall: (a) provide written notice to Plaintiffs' Co-Counsel within seven (7) calendar days after the Response Deadline; and (b) pay all Settlement Administration Costs incurred up to the date and/or as a result of the termination; and the Parties shall proceed in all other respects as if this Agreement had not been executed.

S. Motions for Preliminary and Final Approval. Plaintiffs' Co-Counsel will provide an opportunity for Counsel for Defendants to review the Motions for Preliminary and Final Approval at least three (3) court days prior to filing with the Court. The Parties and their counsel will cooperate with each other and use their best efforts to affect the Court's approval of the Motions for Preliminary and Final Approval of the Settlement.

T. No Impact on Benefit Plans. Neither this Settlement nor any amounts paid under the Settlement will modify any previously credited hours or service under any employee benefit plan, policy or bonus program sponsored by Defendants. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendants-sponsored benefit plans, policies or bonus programs. The payments made under the terms of this Stipulation shall not be applied retroactively, currently or on a going forward basis, as salary, earnings, wages or any other form of compensation for the purposes of Defendants' benefit plans, policies or bonus programs. Defendants retain the right to modify the language of their benefit plans, policies and bonus programs to effect this intent, and to make clear that any amounts paid pursuant to this Settlement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies and bonus programs for purposes of eligibility, vesting, benefit accrual or any other purpose, and that additional contributions or benefits are not required by this Settlement.

U. Notices. Unless otherwise specifically provided herein, all notices, demands, or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third (3rd) business day after mailing by United States certified mail, return receipt requested, or the next business day after emailing, addressed as follows:

To Plaintiffs, the Class, and PAGA Employees:

JAMES HAWKINS APLC
James R. Hawkins
james@jameshawkinsaplc.com
Christina M. Lucio
christina@jameshawkinsaplc.com
Mitchell J. Murray
mitchell@jameshawkinsaplc.com
9880 Research Drive, Suite 200
Irvine, California 92618

Telephone: (949) 387-7200
Facsimile: (949) 387-6676

MATERN LAW GROUP, PC
Matthew J. Matern
mmatern@maternlawgroup.com
Mikael H. Stahle
mstahle@maternlawgroup.com
1230 Rosecrans Ave., Suite 200
Manhattan Beach, California 90266
Telephone: (310) 531-1900
Facsimile: (310) 531-1901

To Defendants:

BRYAN CAVE LEIGHTON PAISNER LLP
Allison C. Eckstrom
allison.eckstrom@bclplaw.com
Christopher J. Archibald
christopher.archibald@bclplaw.com
1920 Main Street, Suite 1000
Irvine, California 92614-7276
Telephone: (949) 223-7000
Facsimile: (949) 223-7100

V. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement.

W. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval/Settlement Fairness Hearing to be conducted by the Court.

X. Tolling of Statute. The Parties stipulate and agree, pursuant to California Code of Civil Procedure section 583.330(a), that the time within which the Action must be brought to trial pursuant to Code of Civil Procedure sections 583.310 through 583.360 shall be extended by the period of time from January 31, 2024 through the later of January 31, 2025 or the date of entry of the order on the motion for final approval and that said period of time shall not be included in the computation of the five-year period specified in the Code of Civil Procedure section 583.310.

Y. Admissibility of Agreement. This Agreement shall not be admissible in any proceeding for any purpose, except to enforce it according to its terms.

Z. Amendment or Modification. This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

AA. Entire Agreement. This Agreement and any attached Exhibits constitute the entire Agreement among these Parties, and no oral or written representations, warranties or inducements have been made to any Party concerning this Agreement or its Exhibits other than the representations, warranties and covenants contained and memorialized in the Agreement and its Exhibits.

BB. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The persons signing this Agreement on behalf of Defendants represent and warrant that they are authorized to sign this Agreement on behalf of Defendants. Plaintiffs represent and warrant that they are each authorized to sign this Agreement and that they each have not assigned any claim, or part of a claim, covered by this Settlement to a third-party.

CC. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

DD. California Law Governs. All terms of this Agreement and the Exhibits hereto and any disputes arising hereunder shall be governed by and interpreted according to the laws of the State of California.

EE. Counterparts. This Agreement may be executed in one or more counterparts and may be executed electronically through DocuSign or VineSign signatures. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Parties to this Agreement shall exchange among themselves copies or originals of the signed counterparts.

FF. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this Settlement is a fair, adequate and reasonable settlement of this Action and have arrived at this Settlement after extensive arms-length negotiations, taking into account all relevant factors, present and potential.

GG. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with respect to the interpretation, implementation and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing and enforcing the Settlement embodied in this Agreement and all orders and judgments entered in connection therewith. To the extent any Party seeks to enforce any of the terms of this Agreement, the prevailing party in any such enforcement action shall be entitled to seek its attorneys' fees and costs incurred therewith.

HH. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

II. Publicity. Defendants may disclose the terms and contents of the Settlement, as required under its contractual and legal obligations. Plaintiffs and Plaintiffs' Co-Counsel agree not to issue press releases, communicate with, or respond to any media or publication entities, publish information in manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by print, video, recording or any other medium, with any person or entity concerning the Settlement, including the fact of the Settlement, its terms or contents and the negotiations underlying the Settlement, except as shall be contractually required to effectuate the terms of the Settlement as set forth herein. Nothing stated herein shall prohibit Plaintiffs' Co-Counsel from discussing the Settlement, the fact of Settlement, and its terms and conditions with Class Members or PAGA Employees, or from filing all necessary motions and supporting memoranda related to preliminary and final approval of the Settlement. Plaintiffs' Co-Counsel and counsel for Defendants shall not place notice of the Settlement on their respective websites except to that Plaintiffs' counsel may post a statement on its website that they "obtained a settlement of $3.4 million for employees." This provision does not limit Plaintiffs' Co-Counsel from complying with ethical obligations or from posting court-filed documents on their website without commentary for viewing by Class Members and PAGA Employees.

JJ. <u>No Unalleged Claims</u>. Plaintiffs and Plaintiffs' Co-Counsel represent that they do not currently intend to pursue any unalleged claims against Defendants, including, but not limited to, any and all claims relating to or arising from Plaintiffs' employment with Defendants, and that Plaintiffs' Co-Counsel is not currently aware of any facts or legal theories upon which any claims or causes of action could be brought against Defendants. The Parties further acknowledge, understand, and agree that this representation is essential to the Agreement and that this Agreement would not have been entered into were it not for this representation.

KK. <u>Enforcement Actions</u>. Notwithstanding any other provision in this Agreement to the contrary, in the event that one or more of the Parties institute any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this

Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred, in connection with any enforcement actions.

LL. Waiver of Certain Appeals. With the exception of the Enhancement Payments and Plaintiffs' Counsel Award, the Parties agree to waive any and all rights to appeal, this waiver being contingent upon the Court entering the Final Judgment. This waiver includes waiver of all rights to any post-judgment proceeding and appellate proceeding, including, but not limited to, motions for relief from judgment and motions to amend or alter the judgment.

MM. No Admissions. Plaintiffs have claimed and continue to claim that the Class Released Claims and PAGA Released Claims have merit and give rise to liability on the part of Defendants. Defendants have claimed and continue to claim that the Class Released Claims and PAGA Released Claims have no merit and do not give rise to liability. This Agreement is a compromise of disputed claims. Nothing contained in this Agreement and no documents referred to herein and no action taken to carry out this Agreement may be construed or used as an admission by or against the Defendants or Plaintiffs or Plaintiffs' Co-Counsel as to the merits or lack thereof of the claims asserted.

NN. Return of All Documents Produced by Defendant. Plaintiff and Plaintiffs' Co-Counsel agree to return or destroy all confidential documents and electronic information produced by Defendants in the Action within thirty (30) days after the entry of the Final Judgment by the Court.

Dated: 11/15/24, 2024

PLAINTIFF

By: Brandy Skutley
Brandy Skutley (Nov 15, 2024 18:05 PST)

BRANDY L. SKUTLEY

Dated: __________, 2024

PLAINTIFF

By: ______________________________

TIMOTHY MILLER

Dated: November 15, 2024

JAMES HAWKINS APLC

By: ______________________________

James R. Hawkins
Christina M. Lucio
Mitchell J. Murray

Counsel for Brandy L. Skutley

Dated: __________, 2024

MATERN LAW GROUP, PC

By: ______________________________

Matthew J. Matern
Mikael H. Stahle

Counsel for Timothy Miller

Dated: __________, 2024

DEFENDANT WALGREEN CO.

By: ______________________________

Name: Zaher Lopez

Title: Senior Counsel, Employment Law

Dated: __________, 2024

DEFENDANT WALGREENS BOOTS ALLIANCE, INC.

By: ______________________________

Name: Zaher Lopez

Dated: 10/13, 2024

PLAINTIFF

By: Timothy Miller
TIMOTHY MILLER

Dated: ___________, 2024

JAMES HAWKINS APLC

By: ______________________________
James R. Hawkins
Christina M. Lucio
Mitchell J. Murray

Counsel for Brandy L. Skutley

Dated: 10/15, 2024

MATERN LAW GROUP, PC

By: Mikael Stahle
Matthew J. Matern
Mikael H. Stahle

Counsel for Timothy Miller

Dated: ___________, 2024

DEFENDANT WALGREEN CO.

By: ______________________________

Name: Zaher Lopez

Title: Senior Counsel, Employment Law

Dated: ___________, 2024

DEFENDANT WALGREENS BOOTS ALLIANCE, INC.

By: ______________________________

Name: Zaher Lopez

Title: Senior Counsel, Employment Law

Dated: __________, 2024

PLAINTIFF

By: ______________________________
TIMOTHY MILLER

Dated: __________, 2024

JAMES HAWKINS APLC

By: ______________________________
James R. Hawkins
Christina M. Lucio
Mitchell J. Murray

Counsel for Brandy L. Skutley

Dated: __________, 2024

MATERN LAW GROUP, PC

By: ______________________________
Matthew J. Matern
Mikael H. Stahle

Counsel for Timothy Miller

Dated: 11/18/24, 2024

DEFENDANT WALGREEN CO.

By: Zaher Lopez
Name: Zaher Lopez
Title: Senior Counsel, Employment Law

Dated: 11/18/24, 2024

DEFENDANT WALGREENS BOOTS ALLIANCE, INC.

By: Zaher Lopez
Name: Zaher Lopez

Title: Senior Counsel, Employment Law

Dated: November 18, 2024

BRYAN CAVE LEIGHTON PAISNER LLP

By: Chris Archibald

Allison C. Eckstrom
Christopher J. Archibald

Attorneys for Defendants Walgreen Co. and Walgreens Boots Alliance, Inc.

Exhibit 1

COURT APPROVED NOTICE OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Brandy Skutley and Timothy Miller v. Walgreen Co. and Walgreens Boots Alliance, Inc.
Yolo County Superior Court Case No. CV2023-0740

The Superior Court for the State of California authorized this Notice. Read it carefully! It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit ("Action") against Walgreen Co. and Walgreens Boots Alliance, Inc. ("Defendants" or "Walgreens") for alleged wage and hour violations. The Action was filed by former Walgreens employees Brandey Skutley and Timothy Miller ("Plaintiffs") and seeks payment of (1) back wages, (2) unreimbursed expenses, (3) penalties, (4) interest, and (5) attorneys' fees and costs for a class of all current and former hourly-paid, non-exempt employees who worked for Defendant Walgreen Co. at one of its California distribution centers during the Class Period (the "Class Members"). Plaintiffs also seek penalties under the California Private Attorney General Act ("PAGA") for all non-exempt employees who worked for Defendant Walgreen Co. in one of its California distribution centers during the PAGA Period (the "PAGA Employees"). The Class Period is June 3, 2020 through April 1, 2024 and the PAGA Period is April 10, 2022 through April 1, 2024.

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Settlement Payments, and (2) a PAGA Settlement requiring Defendants to fund PAGA Settlement Awards and pay penalties to the California Labor and Workforce Development Agency ("LWDA").

Based on Defendants' records, and the Parties' current assumptions, **your Individual Settlement Payment is estimated to be $______ (less withholdings) and your PAGA Settlement Award is estimated to be $______**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your PAGA Settlement Award, then according to Defendants' records you are not eligible for a PAGA Settlement Award under the PAGA portion of the Settlement because you did not work during the PAGA Period.)

The above estimates are based on Defendants' records showing that **you worked ______ Compensable Workweeks** during the Class Period and **you worked ______ Compensable Workweeks** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a dispute by the deadline date. See Section 4 of this Notice.

The Court has preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs' attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and PAGA Employees to give up their rights to assert certain claims against Defendants.

If you worked for Walgreen Co. at one of its California distribution centers during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) **Do Nothing**. You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Settlement Payment and/or a PAGA Settlement Award. As a Participating Class Member, though, you will give up your right to assert certain Class Period wage claims and certain PAGA Period penalty claims against Defendants.

(2) **Opt-Out of the Class Settlement**. You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Class Settlement, you will not receive an Individual Settlement Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendants, and, if you are a PAGA Employee, remain eligible for a PAGA Settlement Award. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendants will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Settlement Payment. In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement **The Opt-out Deadline is ______________**	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Settlement Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section **6** of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay PAGA Settlement Awards to all PAGA Employees and the PAGA Employees must give up their rights to pursue PAGA Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement **Written Objections Must be Submitted by ______________**	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Class Settlement. The Court's decision whether to finally approve the Class Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section **7** of this Notice.
You Can Participate in the ______________ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on ______________. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally

	object to the Settlement at the Final Approval Hearing. See Section **8** of this Notice.
You Can Dispute the Calculation of Your Workweeks/Pay Periods **Written Challenges Must be Submitted by ______________**	The amount of your Individual Settlement Payment and PAGA Settlement Award (if any) depend on how many workweeks you worked at least one day during the Class Period and how many workweeks you worked at least one day during the PAGA Period, respectively. The number of Compensable Workweeks you worked according to Defendants' records is stated on the first page of this Notice. If you disagree with either of these numbers, you must dispute it by ______________. See Section **4** of this Notice.

1.WHAT IS THE ACTION ABOUT?

Plaintiffs are former Walgreen Co. employees who worked at one of Walgreen Co.'s California distribution centers during the Class Period. The Action accuses Defendants of violating California labor laws including: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay wages during employment; (6) failure to timely pay wages owed upon separation from employment; (7) knowing and intentional failure to comply with itemized wage statement provisions; (8) failure to reimburse for business expenses; (9) failure to keep accurate records; (10) failure to pay sick pay; (11) failure to provide COVID-19 supplemental paid sick pay; and (12) unlawful background/consumer credit reports. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under PAGA.

Defendants expressly deny any liability or wrongdoing of any kind associated with the claims alleged in the Action, dispute the damages and penalties claimed by Plaintiffs, and further contend that, for any purpose other than settlement, Plaintiffs' claims are not appropriate for class or representative action treatment. Defendants contend, among other things, that, at all times, they have complied with the California Labor Code, California Business & Professions Code and the Industrial Welfare Commission Wage Orders.

2.WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendants or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendants hired a mediator in an effort to resolve the Action by negotiating to end the Action by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Defendants have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and PAGA Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3.WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendants Will Pay $3,400,000 as the Gross Settlement Amount. Defendants have agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement Amount to pay the Individual Settlement Payments to Participating Class Members, PAGA Settlement Awards to PAGA Employees, Enhancement Payments, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement Amount not more than 5 days after the Judgment entered by the Court become final. The Judgment will be final on the date the time for appeal of the Final Judgment and Order Granting Final Approval of Class Action Settlement expires; or, if an appeal is timely filed, there is a final resolution of any appeal from the Judgment and Order Granting Final Approval of Class Action Settlement.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount, the amounts of which will be decided by the Court at the Final Approval Hearing:

A. Up to $ 1,190,000.00 (35% of the Gross Settlement Amount) to Class Counsel for attorneys' fees and up to $30,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

B. Up to $10,000 as Enhancement Payments to each Plaintiff ($20,000 total) for filing the Action, working with Class Counsel and representing the Class. The Enhancement Payments will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Settlement Payment.

C. Up to $22,000 to the Administrator for services administering the Settlement.

D. Up to $170,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in PAGA Settlement Awards to the PAGA Employees based on their PAGA Period Workweeks.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Amount Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement Amount") by making Individual Settlement Payments to Participating Class Members based on their Compensable Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendants are asking the Court to approve an allocation of 20% of each Individual Settlement Payment to taxable wages ("Wage Portion") and 80% to penalties and interest, etc. ("Non-Wage Portion.). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes it owes on the Wage Portion. The PAGA Settlement Awards are counted as penalties rather than wages for tax purposes. The Administrator will report the PAGA Settlement Awards and the Non-Wage Portions of the Individual Settlement Payments on IRS 1099 Forms.

Although Plaintiffs and Defendants have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Settlement Payments and PAGA Settlement Awards will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be sent to a Court-approved nonprofit organization or foundation consistent with Code of Civil Procedure Section 384, subd. (b) ("Cy Pres Recipient"). The proposed Cy Pres Recipient is Legal Aid at Work. The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the Cy Pres Recipient.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than ______________, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the ______________ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Settlement Payments, but will preserve their rights to personally pursue wage and hour claims against Defendants.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for a PAGA Settlement Award and are required to give up their right to assert PAGA claims against Defendants based on the facts alleged in the Action during the PAGA Period.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendants have agreed that, in either case, the Settlement will be void and Defendants will not pay any money and Class Members will not release any claims against Defendants.

8. Administrator. The Court has appointed a neutral company, CPT Group, Inc. (the "Administrator" or "Settlement Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member disputes over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

9. Participating Class Members' Release. After the Judgment is final and Defendants have fully funded the Gross Settlement Amount and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release of Class Released Claims:

> "Class Released Claims" means any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney's fees damages, action or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, that are alleged, or that reasonably could have been alleged based on the same facts, theories of liability, and claims alleged in the Action, including, but not limited to: (1) failure to pay minimum wages; (2) failure

to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay wages during employment; (6) failure to timely pay wages owed upon separation from employment; (7) knowing and intentional failure to comply with itemized wage statement provisions; (8) violation of the Unfair Competition Law; and (9) failure to reimburse for business expenses. This release shall include, without limitation, claims that were raised, or that reasonably could have been raised based on the same facts, theories of liability, and claims alleged in the Action under the applicable Wage Orders and California Labor Code provisions, including Labor Code §§ 201-204, 210, 218.5, 218.6, 221-224, 226, 226.3, 226.7, 245-249, 510, 512, 516, 558, 1174, 1194, 1194.2, 1195, 1197, 1198 and/or 2802, based on alleged violations of these Labor Code provisions (collectively, the "Class Released Claims"). The period of the Class Released Claims shall be the Class Period. The Parties agree that the judgment, and release of claims provided herein, shall have res judicata effect. The definition of Class Released Claims shall not be limited in any way by the possibility that Plaintiffs or Settlement Class Members may discover new facts or legal theories or legal arguments not alleged in the operative pleading in the Action but which might serve as an alternative basis for pursuing the same claims, causes of action or legal theories of relief falling within the definition of Class Released Claims.

10. PAGA Employees' PAGA Released Claims. After the Court's judgment is final, and Defendants have paid the Gross Settlement Amount and separately paid the employer-side payroll taxes, all PAGA Employees will be barred from asserting PAGA claims against Defendants, whether or not they exclude themselves from the Settlement. This means that all PAGA Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The PAGA Employees will be bound by the following release of PAGA Released Claims:

"PAGA Released Claims" means all claims for civil penalties under the PAGA that are alleged or that reasonably could have been alleged based on the same facts and theories of liability alleged in the Action, including, but not limited to claims for penalties pursuant to PAGA due to Defendants' alleged: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay wages during employment; (6) failure to timely pay wages owed upon separation from employment; (7) knowing and intentional failure to comply with itemized wage statement provisions;(8) failure to reimburse for business expenses; (9) failure to keep accurate records; (10) failure to pay sick pay; (11) failure to provide COVID-19 supplemental paid sick pay; and (12) unlawful background/consumer credit reports. This release shall include, without limitation, claims for penalties pursuant to PAGA that were raised, or that reasonably could have been raised based on the same facts and theories of liability alleged in the Action, under the applicable Wage Orders and California Labor Code provisions, including Labor Code §§ 201-204, 210, 218.5, 218.6, 221-224, 226, 226.3, 226.7, 245-249, 510, 512, 516, 558, 1024.5, 1174, 1194, 1194.2, 1195, 1197, 1198 and/or 2802, based on alleged violations of these Labor Code provisions (collectively, the "PAGA Released Claims"). The period of the PAGA Released Claims shall be the PAGA Period. The Parties agree that the judgment, and release of claims provided herein, shall have res judicata effect. The definition of PAGA Released Claims shall not be limited in any way by the possibility that Plaintiffs or PAGA Employees may discover new facts or legal theories or legal arguments not alleged in the operative pleading in the Action but which might serve as an alternative basis for pursuing the same claims, causes of action or legal theories of relief falling within the definition of PAGA Released Claims.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Settlement Payments. The Settlement Administrator will calculate the total Compensable Workweeks for all Settlement Class Members by adding the number of Compensable Workweeks for each Settlement Class Member during the Class Period. The respective Compensable Workweeks for each Settlement Class Member will be divided by the total Compensable Workweeks for all Settlement Class Members, resulting in the Payment Ratio for each Settlement Class Member. Each Settlement Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member's estimated Individual Settlement Payments.

2. PAGA Settlement Awards. Each PAGA Employee's PAGA Settlement Award will be determined by dividing his or her total Compensable Workweeks during the PAGA Period by the total Compensable Workweeks worked by all PAGA Employees during the PAGA Period. That fraction will then be multiplied by the 25% portion of the PAGA Settlement Amount to arrive at the PAGA Employee's PAGA Settlement Award.

3. Compensable Workweek Disputes. The number of Compensable Workweeks you worked during the Class Period and/or PAGA Period, as recorded in Defendants records, are stated in the first page of this Notice. You have until ______________ to dispute the number of Compensable Workweeks credited to you. You can submit your dispute by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your dispute by sending copies of pay stubs or other records. The Administrator will accept Defendants calculation of Compensable Workweeks based on Defendants records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve any dispute based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendants Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as PAGA Employees. The single check will combine the Individual Settlement Payment and the PAGA Settlement Award.

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single PAGA Settlement Award check to every PAGA Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit the enclosed opt-out form or a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Brandy Skutley and Timothy Miller v. Walgreen Co. and Walgreens Boots Alliance, Inc.*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and last four digits of you Social Security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by ______________, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendants are asking the Court to approve. At least 16 court days before the ______________ Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Enhancement Payments stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as Enhancement Payments. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website _________(url)______________ or the Court's website _________(url)_____________.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Class Representative Enhancement Payment may object. **The deadline for sending written objections to the Administrator is ______________**. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Brandy Skutley and Timothy Miller v. Walgreen Co. and Walgreens Boots Alliance, Inc.*, and include your name, current address, telephone number, and approximate dates of employment for Defendants and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on ______________ at __(time)__ in Department ___ of the Yolo County Superior Court, located at 1000 Main Street, Woodland, CA 95695. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement Amount will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually by following the instructions available on the following web page: https://www.yolo.courts.ca.gov/online-services/remote-appearances. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website ______________________________ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to ____(specify entity)____'s website at _________(url)____________. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to the following web page: https://portal-cayolo.tylertech.cloud/Portal/Home/Dashboard/29 and entering the Case Number for the Action, Case No. CV2023-0740. You can also make an appointment to personally review court documents in the Clerk's Office at Yolo County Courthouse by calling (530) 406-6704.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

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Settlement Administrator:
Name of Company: CPT Group, Inc.
Email Address: ______________________________
Mailing Address: ______________________________
Telephone: ______________________________
Fax Number: ______________________________

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

<u>REQUEST FOR EXCLUSION FROM SETTLEMENT (OPT-OUT)</u>

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF YOLO

Brandy Skutley and Timothy Miller v. Walgreen Co. and Walgreens Boots Alliance, Inc.
Case No. CV2023-0740

<u>I am requesting to OPT OUT OF THE SETTLEMENT</u> of the action known as *Brandy Skutley and Timothy Miller v. Walgreen Co. and Walgreens Boots Alliance, Inc.*, pending in the Superior Court of the State of California, County of Yolo, Case No. CV2023-0740. I want to be excluded from the Class and the Settlement.

I do not wish to receive compensation under the terms of the proposed Class Settlement of the *Skutley and Miller* action or to otherwise participate in the proposed Class Settlement.

Date:__________________ ____
Signature

PLEASE PRINT OR TYPE THE FOLLOWING IDENTIFYING INFORMATION:

Full Name: ____

Mailing Address: ____

Approximate Dates of Employment: ____

Last four digits of your Social Security Number: _______________________________________

Daytime telephone number: ____

Exhibit 2

From: DIR PAGA Unit
To: Mitchell J Murray
Subject: Thank you for your Proposed Settlement Submission
Date: Thursday, February 13, 2025 1:41:49 PM

02/13/2025 01:41:22 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement
If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm