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11 individually and on behalf of herself and all others
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22 TIMOTHY MILLER, individually, and on behalf of all others
23 similarly situated.
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1 This Stipulation of Class and Representative Action Settlement and Release
2 of Claims is entered into by and between Plaintiffs Brandy L. Skutley and Timothy
3 Miller, as individuals and behalf of the Settlement Class and the California Labor
4 and Workforce Development Agency (“Plaintiffs”); and Defendants Walgreen Co.
5 and Walgreens Boots Alliance, Inc. (“Defendants”).

6 **I. DEFINITIONS**

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

11 B. “Agreement,” “Settlement,” “Settlement Agreement,” or “Stipulation”
12 means this Stipulation of Class and Representative Action Settlement and Release
13 of Claims.

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

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

25 E. “Class Period” means the period from June 3, 2020, through April 1,
26 2024.

27 F. “Class Released Claims” means any and all claims, debts, liabilities,
28 demands, obligations, penalties, guarantees, costs, expenses, attorney’s fees,

1 damages, action or causes of action of whatever kind or nature, whether known or
2 unknown, contingent or accrued, that are alleged, or that reasonably could have
3 been alleged based on the same facts, theories of liability, and claims alleged in the
4 Action, including, but not limited to: (1) failure to pay minimum wages; (2) failure
5 to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize
6 and permit rest periods; (5) failure to timely pay wages during employment; (6)
7 failure to timely pay wages owed upon separation from employment; (7) knowing
8 and intentional failure to comply with itemized wage statement provisions; (8)
9 violation of the Unfair Competition Law; and (9) failure to reimburse for business
10 expenses. This release shall include, without limitation, claims that were raised, or
11 that reasonably could have been raised based on the same facts, theories of liability,
12 and claims alleged in the Action under the applicable Wage Orders and California
13 Labor Code provisions, including Labor Code §§ 201-204, 210, 218.5, 218.6, 221-
14 224, 226, 226.3, 226.7, 245-249, 510, 512, 516, 558, 1174, 1194, 1194.2, 1195,
15 1197, 1198 and/or 2802, based on alleged violations of these Labor Code provisions
16 (collectively, the “Class Released Claims”). The period of the Class Released
17 Claims shall be the Class Period. The Parties agree that the judgment, and release
18 of claims provided herein, shall have *res judicata* effect. The definition of Class
19 Released Claims shall not be limited in any way by the possibility that Plaintiffs or
20 Settlement Class Members may discover new facts or legal theories or legal
21 arguments not alleged in the operative pleading in the Action but which might serve
22 as an alternative basis for pursuing the same claims, causes of action or legal
23 theories of relief falling within the definition of Class Released Claims.

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

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

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

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

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

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

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

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

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

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

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

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

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

4 T. “PAGA Payment” means the payment made hereunder to the
5 California Labor and Workforce Development Agency (LWDA) pursuant to
6 PAGA.

7 U. “PAGA Period” shall mean the period from April 10, 2022, through
8 April 1, 2024.

9 V. “PAGA Released Claims” means all claims for civil penalties under
10 the PAGA that are alleged or that reasonably could have been alleged based on the
11 same facts and theories of liability alleged in the Action, including, but not limited
12 to claims for penalties pursuant to PAGA due to Defendants’ alleged: (1) failure to
13 pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal
14 periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay
15 wages during employment; (6) failure to timely pay wages owed upon separation
16 from employment; (7) knowing and intentional failure to comply with itemized
17 wage statement provisions; (8) failure to reimburse for business expenses; (9) failure
18 to keep accurate records; (10) failure to pay sick pay; (11) failure to provide
19 COVID-19 supplemental paid sick pay; and (12) unlawful background/consumer
20 credit reports. This release shall include, without limitation, claims for penalties
21 pursuant to PAGA that were raised, or that reasonably could have been raised based
22 on the same facts and theories of liability alleged in the Action, under the
23 applicable Wage Orders and California Labor Code provisions, including Labor
24 Code §§ 201-204, 210, 218.5, 218.6, 221-224, 226, 226.3, 226.7, 245-249, 510,
25 512, 516, 558, 1024.5, 1174, 1194, 1194.2, 1195, 1197, 1198 and/or 2802, based on
26 alleged violations of these Labor Code provisions (collectively, the “PAGA
27 Released Claims”). The period of the PAGA Released Claims shall be the PAGA
28 Period. The Parties agree that the judgment, and release of claims provided herein,

1 shall have *res judicata* effect. The definition of PAGA Released Claims shall not
2 be limited in any way by the possibility that Plaintiffs or PAGA Employees may
3 discover new facts or legal theories or legal arguments not alleged in the operative
4 pleading in the Action but which might serve as an alternative basis for pursuing the
5 same claims, causes of action or legal theories of relief falling within the definition
6 of PAGA Released Claims.

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

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

14 Y. “Parties” means Plaintiffs and Defendants, collectively, and “Party”
15 shall mean either Plaintiffs or Defendants, individually.

16 Z. “Payment Ratio” means the respective Compensable Workweeks for
17 each Settlement Class Member divided by the total Compensable Workweeks for
18 all Settlement Class Members.

19 AA. “Plaintiffs” mean Brandy L. Skutley and Timothy Miller.

20 BB. “Plaintiffs’ Counsel” or “Plaintiffs’ Co-Counsel” means James
21 Hawkins APLC and Matern Law Group, PC.

22 CC. “Plaintiffs’ Counsel Award” means attorneys’ fees for Plaintiffs’
23 Counsels’ litigation and resolution of the Action and their expenses and costs
24 incurred in connection with the Action, paid from the Gross Settlement Amount.

25 DD. “Preliminary Approval Date” means the date on which the Court enters
26 an order granting preliminary approval of the Settlement.

27 EE. “Released Parties” means Defendants and their current and former
28 parents, subsidiaries, predecessors or successors, holding companies, affiliated

1 companies or entities, including owners, shareholders, members, partners, officers,
2 directors, managers, employees and agents.

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

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

12 HH. “Settlement” means the disposition of the Action pursuant to this
13 Agreement.

14 II. “Settlement Administrator” means CPT Group, Inc.

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

21 **II. RECITALS**

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

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

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

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

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

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

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

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

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

26 H. Plaintiffs' Co-Counsel conducted an investigation into the facts
27 relevant to the Action, including reviewing documents and information provided by
28 Defendants. Based on their own independent investigation and evaluation,

1 Plaintiffs' Co-Counsel are of the opinion that the Settlement with Defendants is fair,
2 reasonable and adequate and in the best interest of the Class Members and PAGA
3 Employees in light of all known facts and circumstances, including the risks of
4 significant delay, defenses asserted by Defendants, uncertainties regarding a class
5 and representative action trial on the merits and numerous potential appellate issues.
6 Although Defendants deny any liability, Defendants are agreeing to this Settlement
7 solely to avoid the cost of further litigation. Accordingly, the Parties and their
8 counsel desire to fully, finally and forever settle, compromise and discharge all
9 disputes and claims arising from or relating to the Action on the terms set forth
10 herein.

11 **III. TERMS OF AGREEMENT**

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

21 B. Escalator Clause. The Gross Settlement Amount was negotiated based
22 on the understanding that there were approximately 196,250 workweeks worked by
23 the Class Members between June 3, 2020 and January 31, 2024. If the actual
24 number of workweeks worked by the Class Members between June 3, 2020 and
25 January 31, 2024 is more than ten percent (10%) greater than this figure (*i.e.*, there
26 are more than 215,875 workweeks), then Defendants agree to increase the Gross
27 Settlement Amount on a pro-rata basis for any workweek added above the 10%
28 (*e.g.*, if there was an eleven percent (11%) increase in the number of workweeks

1 worked by Class Members, Defendants would agree to increase the Gross
2 Settlement Amount by one percent (1%)). Defendants may, at their sole option, cap
3 the number of workweeks in the release at 196,250 by shortening the Class Period
4 so that it ends on the date when 196,250 workweeks have been worked.

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

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

3 E. General Release By Plaintiffs. As of the Effective Date, in exchange
4 for the consideration set forth in this Agreement, Plaintiffs, for themselves and their
5 heirs, successors and assigns, do hereby waive, release, acquit and forever discharge
6 the Released Parties from any and all claims, actions, charges, complaints,
7 grievances and causes of action, of whatever nature, whether known or unknown,
8 which exist or may exist on Plaintiffs' behalf as of the date of this Agreement,
9 including, but not limited to, any and all tort claims, contract claims, wage claims,
10 wrongful termination claims, disability claims, benefit claims, public policy claims,
11 retaliation claims, statutory claims, personal injury claims, emotional distress
12 claims, invasion of privacy claims, defamation claims, fraud claims, *quantum*
13 *meruit* claims and any and all claims arising under any federal, state or other
14 governmental statute, law, regulation or ordinance, including, but not limited to,
15 claims for violation of the Fair Labor Standards Act (FLSA), the California Labor
16 Code, the Wage Orders of California's Industrial Welfare Commission, other state
17 wage and hour laws, the Americans with Disabilities Act, the Age Discrimination in
18 Employment Act (ADEA), the Employee Retirement Income Security Act, Title
19 VII of the Civil Rights Act of 1964, the California Fair Employment and Housing
20 Act, the California Family Rights Act, the Family Medical Leave Act, California's
21 Whistleblower Protection Act, California Business & Professions Code Section
22 17200 *et seq.* and any and all claims arising under any federal, state or other
23 governmental statute, law, regulation or ordinance. Plaintiffs hereby expressly
24 waive and relinquish any and all claims, rights or benefits that they may have under
25 California Civil Code § 1542, which provides as follows:

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

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

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

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

23 G. Nullification of Settlement Agreement. In the event that this
24 Settlement Agreement is not preliminarily or finally approved by the Court, fails to
25 become effective, or is reversed, withdrawn or modified by the Court, or in any way
26 prevents or prohibits Defendants from obtaining a complete resolution of the claims
27 as described herein:
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1 1. This Settlement Agreement shall be void *ab initio* and of no
2 force or effect, and shall not be admissible in any judicial, administrative or arbitral
3 proceeding for any purpose or with respect to any issue, substantive or procedural;

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

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

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

27 I. Circular 230 Disclaimer. Each Party to this Agreement (for purposes
28 of this section, the "acknowledging party" and each Party to this Agreement other

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

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

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

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

8 L. Settlement Administration.

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

16 2. Notice Packets.

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

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

1 ENTITLED TO MONEY FROM A CLASS AND REPRESENTATIVE ACTION
2 SETTLEMENT.”

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 6. PAGA Payment. The Settlement Administrator shall pay
6 seventy-five percent (75%) of the PAGA Settlement Amount, or One Hundred
7 Twenty-Seven Thousand Five Hundred Dollars and Zero Cents (\$127,500.00)
8 ("PAGA Payment"), to the California Labor and Workforce Development Agency
9 ("LWDA") no later than fourteen (14) calendar days after the Settlement
10 Administrator receives the Gross Settlement Amount from Defendants. Twenty-
11 five percent (25%), or Forty-Two Thousand Five Hundred Dollars and Zero Cents
12 (\$42,500.00), will be distributed to PAGA Employees as described in this
13 Agreement.

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

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

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

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

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

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

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

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

1 Class Members;

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

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

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

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

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

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

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

11 R. Option to Terminate Settlement.

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

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

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

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

21 To Plaintiffs, the Class, and PAGA Employees:

22 **JAMES HAWKINS APLC**

23 James R. Hawkins

24 james@jameshawkinsaplc.com

25 Christina M. Lucio

26 christina@jameshawkinsaplc.com

27 Mitchell J. Murray

28 mitchell@jameshawkinsaplc.com

9880 Research Drive, Suite 200

Irvine, California 92618

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

3 **MATERN LAW GROUP, PC**

4 Matthew J. Matern
5 mmatern@maternlawgroup.com
6 Mikael H. Stahle
7 mstahle@maternlawgroup.com
8 1230 Rosecrans Ave., Suite 200
9 Manhattan Beach, California 90266
10 Telephone: (310) 531-1900
11 Facsimile: (310) 531-1901

12 To Defendants:

13 **BRYAN CAVE LEIGHTON PAISNER LLP**

14 Allison C. Eckstrom
15 allison.eckstrom@bclplaw.com
16 Christopher J. Archibald
17 christopher.archibald@bclplaw.com
18 1920 Main Street, Suite 1000
19 Irvine, California 92614-7276
20 Telephone: (949) 223-7000
21 Facsimile: (949) 223-7100

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

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

28 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

1 motion for final approval and that said period of time shall not be included in the
2 computation of the five-year period specified in the Code of Civil Procedure section
3 583.310.

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

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

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

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

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

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

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

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

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

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

26 II. Publicity. Defendants may disclose the terms and contents of the
27 Settlement, as required under its contractual and legal obligations. Plaintiffs and
28 Plaintiffs' Co-Counsel agree not to issue press releases, communicate with, or

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

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

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

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

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

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

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

23
24 Dated: 11/15/24, 2024

PLAINTIFF

25
26 By: Brandy Skutley
Brandy Skutley (Nov 15, 2024 18:05 PST)

BRANDY L. SKUTLEY

1 Dated: _____, 2024

PLAINTIFF

2
3 By: _____
4 TIMOTHY MILLER

5 Dated: November 15, 2024

JAMES HAWKINS APLC

6
7 By:  _____
8 James R. Hawkins
9 Christina M. Lucio
10 Mitchell J. Murray

Counsel for Brandy L. Skutley

11
12 Dated: _____, 2024

MATERN LAW GROUP, PC

13
14 By: _____
15 Matthew J. Matern
16 Mikael H. Stahle

Counsel for Timothy Miller

17
18
19 Dated: _____, 2024

DEFENDANT WALGREEN CO.

20
21 By: _____
22 Name: Zaher Lopez
23 Title: Senior Counsel, Employment Law

24
25 Dated: _____, 2024

**DEFENDANT WALGREENS BOOTS
ALLIANCE, INC.**

26
27 By: _____
28 Name: Zaher Lopez

1 Dated: 10/13, 2024

PLAINTIFF

2
3 By: *Timothy Miller*

TIMOTHY MILLER

4
5 Dated: _____, 2024

JAMES HAWKINS APLC

6
7 By: _____

James R. Hawkins

Christina M. Lucio

8 Mitchell J. Murray

9 Counsel for Brandy L. Skutley

10
11 Dated: 10/15, 2024

MATERN LAW GROUP, PC

12
13 By: *Mikael H. Stahle*

14 Matthew J. Matern

15 Mikael H. Stahle

16 Counsel for Timothy Miller

17
18 Dated: _____, 2024

DEFENDANT WALGREEN CO.

19
20 By: _____

21 Name: Zaher Lopez

22 Title: Senior Counsel, Employment Law

23
24 Dated: _____, 2024

**DEFENDANT WALGREENS BOOTS
ALLIANCE, INC.**

25
26 By: _____

27 Name: Zaher Lopez

28 Title: Senior Counsel, Employment Law

1 Dated: _____, 2024

PLAINTIFF

2
3 By: _____
4 TIMOTHY MILLER

5 Dated: _____, 2024

JAMES HAWKINS APLC

6
7 By: _____
8 James R. Hawkins
9 Christina M. Lucio
10 Mitchell J. Murray

Counsel for Brandy L. Skutley

11
12 Dated: _____, 2024

MATERN LAW GROUP, PC

13
14 By: _____
15 Matthew J. Matern
16 Mikael H. Stahle

Counsel for Timothy Miller

17
18
19 Dated: 11/18/24, 2024

DEFENDANT WALGREEN CO.

20
21 By: Zaher Lopez
22 Name: Zaher Lopez
23 Title: Senior Counsel, Employment Law

24
25 Dated: 11/18/24, 2024

**DEFENDANT WALGREENS BOOTS
ALLIANCE, INC.**

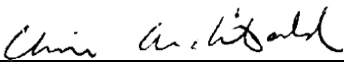
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27 By: Zaher Lopez
28 Name: Zaher Lopez

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Title: Senior Counsel, Employment Law

Dated: November 18, 2024

**BRYAN CAVE LEIGHTON PAISNER
LLP**

By: 
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 \$ [REDACTED] (less withholdings) and your PAGA Settlement Award is estimated to be \$ [REDACTED]**. 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 [REDACTED] Compensable Workweeks** during the Class Period and **you worked [REDACTED] 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 [REDACTED]	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 [REDACTED]	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 [REDACTED] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [REDACTED] . 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 [REDACTED], 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 [REDACTED] 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 [REDACTED] 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 [redacted], 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 [redacted] 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 [redacted] (url) or the Court's website [redacted] (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 [redacted].** 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 [redacted] at [redacted] (time) in Department [redacted] 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 [redacted] 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 [redacted] (specify entity)'s website at [redacted] (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.

Class Counsel:

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James Hawkins APLC
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Matthew J. Matern
Mikael H. Stahle
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1230 Rosecrans Avenue, Suite 200
Manhattan Beach, CA 90266
(310) 531-1900
mmatern@maternlawgroup.com
mstahle@maternlawgroup.com

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.

REQUEST FOR EXCLUSION FROM SETTLEMENT (OPT-OUT)

**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

I am requesting to OPT OUT OF THE SETTLEMENT 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: _____