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Attorneys for Plaintiffs

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN BERNARDINO

CHRISTOPHER CHACON, an individual, on
behalf of himself and on behalf of all persons
similarly situated and the State of California,

Plaintiff,

v.

PANDA MOTORS, INC. a California
Corporation; EDGAR CASTELLANOS, an
individual; and DOES 2-50, Inclusive,

Defendants.

Case No. CIVDS2022220

**[PROPOSED] ORDER GRANTING
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
AND PAGA ACTION SETTLEMENT**

Hearing Date: April 20, 2023
Hearing Time: 1:30 p.m.

Department: S17
Judge: Hon. Joseph Ortiz

1 This matter having come before the Honorable Judge Joseph Ortiz of the Superior Court of the
2 State of California, in and for the County of San Bernardino, at 1:30 p.m. on April 20, 2023, with
3 Blumenthal Nordrehaug Bhowmik De Blouw LLP, Robinson DiLando APLC and Zakay Law Group,
4 APLC as counsel for plaintiffs CHRISTOPHER CHACON, VYNZ PUNONGBAYAN, NICHOLAS
5 CORDERO, and LUIS VEGA ("Plaintiffs"), and Madison Law appearing for defendants PANDA
6 MOTORS, INC. and EDGAR CASTELLANOS (hereinafter collectively "Defendants"). The Court,
7 having carefully considered the briefs, argument of counsel and all the matters presented to the Court,
8 and good cause appearing, hereby GRANTS Plaintiffs' Motion for Preliminary Approval of Class
9 Action Settlement.

10 **IT IS HEREBY ORDERED:**

11 1. The Court preliminarily approves the Stipulation of Settlement of Class and PAGA
12 Action Claims and Release of Claims ("Settlement Agreement" or "Agreement"), a true and correct
13 copy of which is attached hereto as **Exhibit "1"**. This is based on the Court's determination that the
14 Settlement Agreement is within the range of possible final approval, pursuant to the provisions of
15 Section 382 of the California Code of Civil Procedure and California Rules of Court, rule 3.769.

16 2. This Order incorporates by reference the definitions in the Agreement, and all terms
17 defined therein shall have the same meaning in this Order as set forth in the Agreement.

18 3. Subject to the terms of the Settlement Agreement, the Gross Settlement Amount that
19 Defendants shall pay is Nine Hundred Fifty Thousand Dollars and Zero Cents (\$950,00.00). It appears
20 to the Court on a preliminary basis that the settlement amount and terms are fair, adequate, and
21 reasonable as to all Class Members when balanced against the probable outcome of further litigation
22 relating to certification, liability, and damages issues. It further appears that investigation and research
23 have been conducted such that counsel for the Parties are able to reasonably evaluate their respective
24 positions. It further appears to the Court that settlement at this time will avoid substantial additional
25 costs by all Parties, as well as avoid the delay and risks that would be presented by the further
26 prosecution of the litigation. It further appears that the Settlement has been reached as the result of
27 intensive, serious, and non-collusive arms-length negotiations.

4. The Court preliminarily finds that the Settlement appears to be within the range of reasonableness of a settlement that could ultimately be given final approval by this Court. The Court has reviewed the monetary recovery that is being granted as part of the Settlement and preliminarily finds that the monetary settlement awards made available to the Class Members are fair, adequate, and reasonable when balanced against the probable outcome of further litigation relating to certification, liability, and damages issues.

5. Plaintiff seeks Class Counsel Payment in the amount of up-to one-third of the Gross Settlement Amount for attorneys' fees, currently estimated at \$316,666.66, an award of litigation expenses incurred not to exceed \$30,000, and proposed Class Representative Service Award to the Class Representatives in an amount not to exceed \$10,000 each. While these awards appear to be within the range of reasonableness, the Court will not approve the Class Counsel Payment or Class Representative Service Award until the Final Approval Hearing.

6. The Court recognizes that Plaintiffs and Defendants stipulate and agree to certification of a class for settlement purposes only. This stipulation will not be deemed admissible in this, or any other proceeding should this Settlement not become final. For settlement purposes only, the Court conditionally certifies the following Class:

“all non-exempt employees who are or previously were employed by Defendant and performed work in California during the period of October 14, 2016 to December 13, 2022”

7. The Court concludes that, for settlement purposes only, the Class meets the requirements for certification under section 382 of the California Code of Civil Procedure in that: (a) the Class is ascertainable and so numerous that joinder of all members of the Class Members is impracticable; (b) common questions of law and fact predominate, and there is a well-defined community of interest amongst the Class Members with respect to the subject matter of the litigation; (c) the claims of the Class Representatives are typical of the claims of the Class Members; (d) the Class Representatives will fairly and adequately protect the interests of the Class Members; (e) a class action is superior to other available methods for the efficient adjudication of this controversy; and (f) Class Counsel are

1 qualified to act as counsel for the Class Representative in her individual capacity and as the
2 representative of the Class Members.

3 8. The Court provisionally appoints plaintiffs CHRISTOPHER CHACON, VYNZ
4 PUNONGBAYAN, NICHOLAS CORDERO, and LUIS VEGA as the representatives of the Class.

5 9. The Court provisionally appoints Nicholas J. De Blouw, Esq., of the Blumenthal
6 Nordrehaug Bhowmik De Blouw LLP, Orion Robinson, Esq. of Robinson Di Lando APLC, and Shani
7 Zakay, of the Zakay Law Group, APLC, as Class Counsel for the Class Members.

8 10. The Court hereby approves, as to form and content, the Proposed Notice of Class Action
9 Settlement (“Class Notice”) attached to the Agreement as Exhibit “A”. The Court finds that both
10 notices appear to fully and accurately inform the Class Members and Aggrieved Employees of all
11 material elements of the proposed Settlement, including the right of any Class Member to be excluded
12 from the Class by submitting a written request for exclusion, and of each Class Member’s right and
13 opportunity to object to the Settlement. The Court further finds that the distribution of the notices
14 substantially in the manner and form set forth in the Agreement and this Order meets the requirements
15 of due process, is the most reasonable notice under the circumstances, and shall constitute due and
16 sufficient notice to all persons entitled thereto. The Court orders the mailing of the notices by first class
17 mail, pursuant to the terms set forth in the Agreement.

18 11. The Court hereby appoints ILYM Group, Inc. as Settlement Administrator. Within
19 fourteen (14) calendar days of the later of preliminary approval or court approval of Settlement notice
20 to the class, Defendants shall provide to the Settlement Administrator the Class Data, including
21 information regarding Class Members that Defendants will in good faith compile from its records,
22 including each Class Member’s full name; last known address; Social Security Number; start dates and
23 end dates of employment or work at Defendants’ church campuses in California during the Settlement
24 Period, the number of Workweeks for each Class Members and the number of PAGA pay periods.
25 Within seven (7) business days after receiving the Class Data from Defendants, the Settlement
26 Administrator shall mail the Class Notice to all identified, potential Class Members via first class U.S.
27 Mail using the most current mailing address information available.

1 12. The Court hereby preliminarily approves the proposed procedure for exclusion from the
2 Settlement. Any Class Member may individually choose to opt out of and be excluded from the
3 Settlement as provided in the Notice by following the instructions for requesting exclusion from the
4 Settlement of the Released Claims that are set forth in the Notice. All requests for exclusion must be
5 postmarked or received by the Response Deadline which is forty-five (45) calendar days after the date
6 the Class Notice is mailed to the Class Members or, in the case of a re-mailed Notice, not more than
7 fifteen (15) calendar days from the date of re-mailing of the Notices. Any such person who chooses to
8 opt out of and be excluded from the Settlement will not be entitled to an Individual Settlement Payment
9 under the Settlement and will not be bound by the Settlement, or have any right to object, appeal or
10 comment thereon. Class Members who have not requested exclusion shall be bound by all
11 determinations of the Court, the Agreement and Judgment. A request for exclusion may only opt out
12 that particular individual, and any attempt to affect an opt-out of a group, class, or subclass of
13 individuals is not permitted and will be deemed invalid.

14 13. Any Class Member who has not opted out may appear at the final approval hearing and
15 may object or express the Class Member's views regarding the Settlement and may present evidence
16 and file briefs or other papers that may be proper and relevant to the issues to be heard and determined
17 by the Court as provided in the Notice. Class Members will have forty-five (45) calendar days from the
18 date the Settlement Administrator mails the Class Notice to postmark their written objections to the
19 Settlement Administrator.

20 14. A final approval hearing shall be held before this Court on _____at
21 _____AM in Department S-26 of the San Bernardino County Superior Court to determine all
22 necessary matters concerning the Settlement, including: whether the proposed settlement of the Action
23 on the terms and conditions provided for in the Agreement is fair, adequate and reasonable and should
24 be finally approved by the Court; whether an Order Granting Final Approval should be entered herein;
25 whether the plan of allocation contained in the Agreement should be approved as fair, adequate and
26 reasonable to the Class; and to finally approve the Class Counsel Payment, Class Representative
27 Service Awards, and the Settlement Administration Costs. All papers in support of the motion for final
28

1 approval and the motion for Attorneys' Fee and Costs and Class Representative Service Awards shall
2 be filed with the Court and served on all counsel no later than sixteen (16) court days before the hearing.

3 15. Neither the Settlement nor any exhibit, document, or instrument delivered thereunder
4 shall be construed as a concession or admission by Defendants in any way, and shall not be used as
5 evidence of, or used against Defendants as an admission or indication in any way, including with
6 respect to any claim of any liability, wrongdoing, fault, or omission by Defendants or with respect to
7 the truth of any allegation asserted by any person. Whether or not the Settlement is finally approved,
8 neither the Settlement, nor any exhibit, document, statement, proceeding or conduct related to the
9 Settlement, nor any reports or accounts thereof, shall in any event be construed as, offered or admitted
10 in evidence as received as or deemed to be evidence for any purpose adverse to the Defendants,
11 including, but not limited to, evidence of a presumption, concession, indication or admission by
12 Defendants of any liability, fault, wrongdoing, omission, concession or damage.

13 16. In the event the Settlement does not become effective in accordance with the terms of the
14 Agreement, or the Settlement is not finally approved, or is terminated, canceled, or fails to become
15 effective for any reason, this Order shall be rendered null and void and shall be vacated, and the Parties
16 shall revert to their respective positions as of before entering into the Agreement. In such an event, the
17 Court's orders regarding the Settlement, including this Preliminary Approval Order, shall not be used
18 or referred to in litigation for any purpose. Nothing in this paragraph is intended to alter the terms of
19 the Settlement Agreement with respect to the effect of the Settlement Agreement if it is not approved.

20 17. Pending final determination of whether the Settlement should be approved, Class
21 Representative and all Class Members are barred and enjoined from filing, commencing, prosecuting,
22 intervening in, instigating or in any way participating in the commencement or prosecution of any
23 lawsuit, action or administrative, regulatory, arbitration or other proceeding, in any forum, asserting
24 any claims that are, or relate in any way to, the Released Claims, unless and until they submit a timely
25 request for exclusion pursuant to the Agreement.

18. The Court reserves the right to adjourn or continue the date of the final approval hearing and all dates provided for in the Agreement without further notice to Class Members and retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.

Dated: _____

JUDGE OF THE SUPERIOR COURT

EXHIBIT 1

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF SAN BERNARDINO**

CHRISTOPHER CHACON, an individual, on
behalf of himself and on behalf of all persons
similarly situated and the State of California,

Plaintiff,

v.

PANDA MOTORS, INC. a California
Corporation; EDGAR CASTELLANOS, an
individual; and DOES 2-50, Inclusive,

Defendants.

Case No.: CIVDS2022220

[Action Filed October 14, 2020]

**STIPULATION OF SETTLEMENT OF
CLASS AND PAGA ACTION CLAIMS
AND RELEASE OF CLAIMS**

Judge: Honorable David Cohn
Dept.: S-26

1 This Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims is
2 entered into by and between Plaintiffs CHRISTOPHER CHACON, VYNZ PUNONGBAYAN,
3 NICHOLAS CORDERO, and LUIS VEGA (hereinafter "Plaintiffs"), individuals, on behalf of the
4 Settlement Class, and in their representative capacity on behalf of the State of California and the
5 Aggrieved Employees, and Defendant PANDA MOTORS, INC. (hereinafter "Defendant"):

6 **I. DEFINITIONS**

- 7 A. "Action" shall mean the putative class and representative PAGA action lawsuit
8 designated *Christopher Chacon v. Panda Motors, Inc., San Bernardino County*
9 *Superior Court, Case No. CIVDS2022220*, filed October 14, 2020.
- 10 B. "Agreement" or "Settlement Agreement" means this Stipulation of Settlement of
11 Class and PAGA Action and Release of Claims.
- 12 C. "Attorneys' Expenses" means the award of expenses that the Court authorizes to be
13 paid to Class Counsel for the expenses they have incurred of up to \$30,000.00.
- 14 D. "Attorneys' Fees" means the award of fees that the Court authorizes to be paid to
15 Class Counsel for the services they have rendered to Plaintiff and the Settlement
16 Class in the Action, currently not to exceed one-third of the Gross Settlement
17 Amount currently estimated to be \$316,666 out of \$950,000. Attorneys' fees will be
18 divided between Class Counsel as follows (19.5% to Blumenthal Nordrehaug
19 Bhowmik De Blouw, LLP, 45.5% to Zakay Law Group, APLC, and 35% to
20 Robinson Di Lando, APLC).
- 21 E. "California Class Members" or the "California Class" means all non-exempt
22 employees who are or previously were employed by Defendant and performed work
23 in California during the period of October 14, 2016 to December 13, 2022.
- 24 F. "Class Counsel" shall mean Nicholas J. De Blouw, Esq. of Blumenthal Nordrehaug
25 Bhowmik De Blouw, LLP, Orion S. Robinson, Esq. of Robinson Di Lando, APLC
26 and Shani Zakay of Zakay Law Group, APLC.
- 27 G. "Class Data" means information regarding Class Members that Defendant will in
28 good faith compile from its records and provide to the Settlement Administrator. It
shall be formatted as a Microsoft Excel spreadsheet and shall include: each Class
Member's full name; last known address; Social Security Number; start dates and end
dates of employment.
- H. "Class Period" means the period from October 14, 2016 to December 13, 2022.

- I. "Class Representatives" shall mean plaintiffs CHRISTOPHER CHACON, VYNZ PUNONGBAYAN, NICHOLAS CORDERO, and LUIS VEGA.
- J. "Court" means the Superior Court for the State of California, County of San Bernardino currently presiding over the Action.
- K. "Defendant" shall mean PANDA MOTORS, INC.
- L. "Effective Date" means the earliest date, following entry by the Court of an order and judgment finally approving this settlement, upon which one of the following have occurred: (i) if no appeal, or other challenge is filed, the sixty-first (61st) day following Notice of Entry of the Court's Order and/or Judgment; (ii) the date of affirmance of an appeal of the Order Granting Final Approval and/or Judgment becomes final under the California Rules of Court; or (iii) the date of final dismissal of any appeal from the Order Granting Final Approval and/or Judgment or the final dismissal of any proceeding on review of any court of appeal decision relating to the Order Granting Final Approval and/or Judgment.
- M. "Funding Date" shall mean ten (10) calendar days after the Effective Date and is the date Defendants transfer the Gross Settlement Amount into the QSF in accord with the terms of this Agreement.
- N. "Gross Settlement Amount" means Nine Hundred Fifty Thousand Dollars (\$950,000.00) that Defendant must pay into the QSF in connection with this Settlement, inclusive of the sum of Claims Administration Expenses, Attorneys' Fees, Attorney's Expenses, Service Award, and the PAGA Payment and *exclusive* of the employer's share of payroll tax, if any, triggered by any payment under this Settlement.
- O. "Individual Settlement Payment" means the amount payable from the Net Settlement Amount to each Settlement Class Member and excludes any amounts distributed to PAGA Class Members pursuant to PAGA.
- P. "Net Settlement Amount" or "NSA" means the Gross Settlement Amount, less Attorneys' Fees, Attorneys' Expenses, Service Award, PAGA Payment, and Claims Administration Expenses.
- Q. "Notice Packet" means the Class Notice to be provided to the Class Members by the Settlement Administrator in the form set forth as Exhibit A to this Agreement (other than formatting changes to facilitate printing by the Settlement Administrator).

- 1 R. "PAGA" means the California Labor Code Private Attorneys General Act of 2004,
2 Labor Code § 2698 *et seq.*
- 3 S. "PAGA Class Members" or "PAGA Class" means all non-exempt employees who
4 are or previously were employed by Defendant and performed work in California
5 during the period of August 7, 2019 to December 13, 2022.
- 6 T. "PAGA Payment Ratio" means the respective Pay Periods during the PAGA Period
7 for each PAGA Class Member divided by the sum total of the Pay Periods for all
8 PAGA Class Members during the PAGA Period.
- 9 U. "PAGA Pay Periods," for purposes of calculating the distribution of the PAGA Class
10 Member Payment, as defined herein, means the number of pay periods of
11 employment during the PAGA Period that each PAGA Class Member worked in
12 California.
- 13 V. "PAGA Period" means from August 7, 2019 to December 13, 2022.
- 14 W. "PAGA Payment" shall mean Fifty Thousand Dollars (\$50,000) to be allocated from
15 the Gross Settlement Amount, with 25% of the payment going to the Aggrieved
16 Employees and 75% of the payment going to the Labor and Workforce Development
17 Agency ("LWDA"). The amount of the PAGA Settlement Payment is subject to
18 Court approval pursuant to California Labor Code section 2699(l). Any reallocation
19 of the Gross Settlement Amount to increase the PAGA Settlement Payment will not
20 constitute grounds by either party to void this Agreement, so long as the Gross
21 Settlement Amount remains the same.
- 22 X. "Parties" means Plaintiffs and Defendant, collectively, and "Party" shall mean either
23 Plaintiff or Defendant, individually.
- 24 Y. "Payment Ratio" means the respective Workweeks for each Class Member divided
25 by the sum total Workweeks for all Class Members.
- 26 Z. "Plaintiffs" shall mean CHRISTOPHER CHACON, VYNZ PUNONGBAYAN,
27 NICHOLAS CORDERO, and LUIS VEGA.
- 28 AA. "QSF" means the Qualified Settlement Fund established, designated and maintained
by the Settlement Administrator to fund the Gross Settlement Amount.
- BB. "Released Class Claims" means all class claims alleged in the operative complaint
which occurred during the Class Period, and expressly excluding all other claims,
including claims for vested benefits, wrongful termination, unemployment

1 insurance, disability, social security, workers' compensation, and class claims
2 outside of the Class Period.

3 CC. "Released PAGA Claims" means all PAGA claims alleged in the operative complaint
4 and Plaintiff's PAGA notice to the LWDA which occurred during the PAGA Period,
5 and expressly excluding all other claims, including claims for vested benefits,
6 wrongful termination, unemployment insurance, disability, social security, workers'
7 compensation, and PAGA claims outside of the PAGA Period.

8 DD. "Released Parties" shall mean Defendant, and each of its past, present and future
9 agents, officers, directors, managing agents, members, owners (whether direct or
10 indirect), partners, trustees, shareholders, stockholders, attorneys, parents,
11 subsidiaries, related companies/corporations and/or partnerships, divisions, assigns,
12 predecessors, successors, insurers, joint venturers, joint employers, potential and
13 alleged joint employers, affiliates, and affiliated organizations.

14 J. "Response Deadline" means the date forty-five (45) calendar days after the Settlement
15 Administrator mails Notice Packets to Class Members and the last date on which
16 Class Members may submit requests for exclusion or objections to the Settlement.

17 K. "Service Award" means an award in the amount of \$10,000 to each Plaintiff, or in
18 amounts that the Court authorizes to be paid to the Class Representatives, in addition
19 to their Individual Settlement Payment and their individual PAGA Class Member
20 Payment, in recognition of their efforts and risks in assisting with the prosecution of
21 the Action and, with respect to Plaintiff Chacon only, in exchange for executing a
22 General Release of claims including a Civil Code 1542 waiver.

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

24 M. "Settlement Administrator" means ILYM Group Inc., 14771 Plaza Drive, Ste. L,
25 Tustin, CA 92780; Tel: 1-888-250-6810; Fax: 1-888-845-6185. The Settlement
26 Administrator establishes, designates and maintains, as a QSF under Internal
27 Revenue Code section 468B and Treasury Regulation section 1.468B-1, into which
28 the amount of the Gross Settlement Amount is deposited for the purpose of resolving
the claims of Settlement Class Members. The Settlement Administrator shall
maintain the funds until distribution in an account(s) segregated from the assets of
Defendant and any person related to Defendant. All accrued interest shall be paid

1 and distributed to the Settlement Class Members as part of their respective Individual
2 Settlement Payment.

3 N. "Settlement Class Members" or "Settlement Class" means all Class Members who
4 have not submitted a timely and valid request for exclusion as provided in this
5 Agreement.

6 O. "Workweeks," for purposes of calculating the distribution of the Net Settlement
7 Amount, means the number of weeks of employment during the Class Period that
8 each Class Member was employed by Defendant in California.

9 II. RECITALS

10 A. On August 11, 2020, Plaintiff Chacon filed a Notice of Violations with the Labor and
11 Workforce Development Agency (LWDA) and served the same on Defendants.

12 B. On October 14, 2020, Plaintiff Chacon filed the class action lawsuit for:

- 13 1. Unfair competition (Bus. & Prof. Code § 17200 *et seq.*;
- 14 2. Minimum wage violations (Labor Code §§ 1182.12, 1194, 1194.2, 1197);
- 15 3. Failure to pay all overtime wages (Labor Code §§ 204, 510, 558, 1194, 1198);
- 16 4. Meal period violations (Labor Code §§ 26.7, 512, 558);
- 17 5. Rest period violations (Labor Code §§ 226.7, 516, 558);
- 18 6. Failure to reimburse required expenses (Labor Code §2802);
- 19 7. Wage statement violations (Labor Code § 226, *et seq.*);
- 20 8. Failure to provide wages when due (Labor Code §§ 201, 202, 203);
- 21 9. Violation of the Private Attorneys General Act (Labor Code §§ 2698 *et seq.*

22 C. On July 12, 2022, Plaintiff Chacon filed a Doe Amendment, adding Edgar
23 Castellanos, an individual, as Doe 1 Defendant to the Complaint.

24 D. On February 8, 2023, the Parties submitted for filing a stipulation for leave to file a
25 First Amended Complaint, which added Class Representatives Vynz Punongbayan,
26 Nicholas Cordero, and Luis Vega.

27 E. The Class Representatives believe they have claims based on alleged violations of the
28 California Labor Code, and the Industrial Wage Commission Orders, and that class
certification is appropriate because the prerequisites for class certification can be
satisfied in the Action, and this action is manageable as a PAGA representative action.

F. Defendant denies any liability or wrongdoing of any kind associated with the claims
alleged in the Action, disputes any wages, damages and penalties claimed by the Class

Representatives are owed, and further contend that, for any purpose other than settlement, the Action is not appropriate for class or representative action treatment. Defendants contend, among other things, that at all times they complied with the California Labor Code and the Industrial Wage Commission Orders.

G. The Class Representatives are represented by Class Counsel. Class Counsel conducted an investigation into the facts relevant to the Action, including conducting an independent investigation as to the allegations, reviewing documents and information exchanged through both formal and informal discovery, and reviewing documents and information provided by Defendant pursuant to formal and informal requests for information to prepare for mediation. Defendant produced during formal discovery and informally for the purpose of settlement negotiations certain employment data concerning the Settlement Class, which Class Counsel reviewed and analyzed with the assistance of an expert. Based on their own independent investigation and evaluation, Class Counsel are of the opinion that the Settlement with Defendant is fair, reasonable and adequate, and is in the best interest of the Settlement Class in light of all known facts and circumstances, including the risks of significant delay, defenses asserted by Defendant, uncertainties regarding class certification, and numerous potential appellate issues. Although it denies any liability, Defendant is agreeing to this Settlement solely to avoid the inconveniences and cost of further litigation. The Parties and their counsel have agreed to settle the claims on the terms set forth in this Agreement.

H. On September 27, 2021, the Parties participated in mediation presided over by Hon. Judge Carl West (Ret.), an experienced mediator of wage and hour class and PAGA actions. The mediation concluded without a settlement, and the Parties proceeded with litigation, including extensive formal discovery. On October 18, 2022, the Parties participated in a second session of mediation presided over by Judge West. The mediation concluded with a settlement, which was subsequently memorialized in the form of a Memorandum of Understanding.

I. This Agreement replaces and supersedes the Memorandum of Understanding and any other agreements, understandings, or representations between the Parties. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by

1 Defendant that the claims in the Action of Plaintiffs or the Class Members have merit
2 or that Defendant bear any liability to Plaintiffs or the Class on those claims or any
3 other claims, or as an admission by Plaintiffs that Defendant's defenses in the Action
4 have merit.

5 J. The Parties believe that the Settlement is fair, reasonable and adequate. The
6 Settlement was arrived at through arm's-length negotiations, taking into account all
7 relevant factors. The Parties recognize the uncertainty, risk, expense and delay
8 attendant to continuing the Action through trial and any appeal. Accordingly, the
9 Parties desire to fully, finally, and forever settle, compromise and discharge all
disputes and claims arising from or relating to the Action.

10 K. The Parties agree to certification of the Class for purposes of this Settlement only. If
11 for any reason the settlement does not become effective, Defendants reserve the right
12 to contest certification of any class for any reason and reserves all available defenses
to the claims in the Action.

13 Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

14 **III. TERMS OF AGREEMENT**

15 A. Settlement Consideration and Settlement Payments by Defendants.

16 1. Settlement Consideration. In full and complete settlement of the Action, and
17 in exchange for the releases set forth below, Defendant and the Released
18 Parties will pay the sum of the Individual Settlement Payments, the Service
19 Awards, the Attorneys' Fees, the Attorneys' Expenses, PAGA Payment, and
20 the Claims Administration Expenses, as specified in this Agreement, equal to
21 the Gross Settlement Amount of Nine Hundred Fifty Thousand Dollars
22 (\$950,000.00). The Parties agree that this is a non-reversionary Settlement and
23 that no portion of the Gross Settlement Amount shall revert to Defendants.
24 Other than the Defendant's share of employer payroll taxes, or as otherwise
specified in the Agreement at ¶III.A.2, Defendant shall not be required to pay
more than the Gross Settlement Amount.

25 2. Class Size. Defendant estimates that the Settlement Class was comprised of
26 762 individuals who collectively worked approximately 34,000 workweeks
27 ("Projected Workweeks") during the Class Period. If the workweek number
28 increases by more than 10% of the estimate stated herein, the Settlement

1 Amount will increase proportionally for the number of workweeks over 10%
2 of 34,000 (37,400).

3 3. Settlement Payment. Defendant shall pay, via wire transfer, the Gross
4 Settlement Amount to the Settlement Administrator on the Funding Date.

5 4. Defendant's Share of Payroll Taxes. Defendant's share of employer side
6 payroll taxes is in addition to the Gross Settlement Amount and shall be paid
7 together with the Gross Settlement Amount.

8 B. Release by Settlement Class Members. As of the Funding Date, in exchange for the
9 consideration set forth in this Agreement, Plaintiffs and the Settlement Class Members
10 release the Released Parties from the Released Class Claims for the Class Period.

11 C. Release by the PAGA Class Members. As of the Funding Date, in exchange for the
12 consideration set forth in this Agreement, the Plaintiff, the LWDA and the State of
13 California release the Released Parties from the Released PAGA Claims for the PAGA
14 Period. As a result of this release, the PAGA Class Members shall be precluded from
15 bringing claims against Defendant for the Released PAGA Claims.

16 D. General Release by Plaintiffs. As of the Funding Date, for the consideration set forth
17 in this Agreement, Plaintiff Chacon waives, releases, acquits and forever discharges
18 the Released Parties from any and all claims, whether known or unknown, which exist
19 or may exist on his behalf as of the date of this Agreement, including but not limited
20 to any and all tort claims, contract claims, wage claims, wrongful termination claims,
21 disability claims, benefit claims, public policy claims, retaliation claims, statutory
22 claims, personal injury claims, emotional distress claims, invasion of privacy claims,
23 defamation claims, fraud claims, quantum meruit claims, and any and all claims arising
24 under any federal, state or other governmental statute, law, regulation or ordinance,
25 including, but not limited to claims for violation of the Fair Labor Standards Act, the
26 California Labor Code, the Wage Orders of California's Industrial Welfare
27 Commission, other state wage and hour laws, the Americans with Disabilities Act, the
28 Age Discrimination in Employment Act (ADEA), the Employee Retirement Income
Security Act, Title VII of the Civil Rights Act of 1964, the California Fair Employment
and Housing Act, the California Family Rights Act, the Family Medical Leave Act,
California's Whistleblower Protection Act, California Business & Professions Code
Section 17200 et seq., and any and all claims arising under any federal, state or other

1 governmental statute, law, regulation or ordinance. Plaintiff Chacon also waives and
2 relinquishes any and all claims, rights or benefits that she may have under California
3 Civil Code § 1542, which provides as follows:

4 ***A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE***
5 ***CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO***
6 ***EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE***
7 ***RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE***
8 ***MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR***
9 ***OR RELEASED PARTY.***

10 Thus, notwithstanding the provisions of section 1542, and to implement a full and
11 complete release and discharge of the Released Parties, Plaintiff Chacon expressly
12 acknowledges this Settlement Agreement is intended to include in its effect, without
13 limitation, all claims Plaintiff Chacon does not know or suspect to exist in Plaintiff
14 Chacon's favor at the time of signing this Settlement Agreement, and that this Settlement
15 Agreement contemplates the extinguishment of any such claims. Plaintiff warrants that
16 Plaintiff Chacon has read this Settlement Agreement, including this waiver of California
17 Civil Code section 1542, and that Plaintiff Chacon has consulted with or had the
18 opportunity to consult with counsel of Plaintiff Chacon's choosing about this Settlement
19 Agreement and specifically about the waiver of section 1542, and that Plaintiff Chacon
20 understands this Settlement Agreement and the section 1542 waiver, and so Plaintiff
21 Chacon freely and knowingly enters into this Settlement Agreement. Plaintiff Chacon
22 further acknowledges that Plaintiff Chacon later may discover facts different from or in
23 addition to those Plaintiff Chacon now knows or believes to be true regarding the matters
24 released or described in this Settlement Agreement, and even so Plaintiff Chacon agrees
25 that the releases and agreements contained in this Settlement Agreement shall remain
26 effective in all respects notwithstanding any later discovery of any different or additional
27 facts. Plaintiff Chacon expressly assumes any and all risk of any mistake in connection
28 with the true facts involved in the matters, disputes, or controversies released or
described in this Settlement Agreement or with regard to any facts now unknown to
Plaintiff Chacon relating thereto.

E. Conditions Precedent: This Settlement will become final and effective only upon the
occurrence of all of the following events:

1. The Court enters an order granting preliminary approval of the Settlement;
2. The Court enters an order granting final approval of the Settlement and a Final Judgment;
3. If an objector appears at the final approval hearing, 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; and
4. Defendant fully funds the Gross Settlement Amount.

F. Nullification of Settlement Agreement. In the event that this Settlement Agreement is not preliminarily or finally approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendant from obtaining a complete resolution of the Released Claims, or if Defendant fails to fully fund the Gross Settlement Amount:

1. This Settlement Agreement shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural;
2. The conditional class certification (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural; and
3. None of the Parties to this Settlement will be deemed to have waived any claims, objections, defenses or arguments in the Action, including with respect to the issue of class certification.
4. Defendant shall bear the sole responsibility for any cost to issue or reissue any curative notice to the Settlement Class Members and all Settlement Administration Costs incurred to the date of nullification.

G. Certification of the Settlement Class. The Parties stipulate to conditional class certification of the Class for the Class Period for purposes of settlement only. In the event that this Settlement is not approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits

1 Defendant from obtaining a complete resolution of the Released Claims, the
2 conditional class certification (obtained for any purpose) shall be void *ab initio* and of
3 no force or effect, and shall not be admissible in any judicial, administrative or arbitral
4 proceeding for any purpose or with respect to any issue, substantive or procedural.

5 H. Tax Liability. The Parties make no representations as to the tax treatment or legal
6 effect of the payments called for, and Class Members and/or PAGA Class Members
7 are not relying on any statement or representation by the Parties in this regard. Class
8 Members and/or PAGA Class Members understand and agree that they will be
9 responsible for the payment of any taxes and penalties assessed on the Individual
10 Settlement Payments and/or PAGA Class Members' individual shares of the PAGA
11 Settlement described and will be solely responsible for any penalties or other
12 obligations resulting from their personal tax reporting of Individual Settlement
13 Payments and/or PAGA Class Members' individual shares of the PAGA Settlement.

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

1 J. Preliminary Approval Motion. Within sixty (60) calendar days of execution of this
2 Agreement, or as soon as possible thereafter, Plaintiffs shall file with the Court a
3 Motion for Order Granting Preliminary Approval and supporting papers, which shall
4 include this Settlement Agreement. Plaintiffs will provide Defendant with a draft of
5 the Motion at least 3 business days prior to the filing of the Motion to give Defendant
an opportunity to propose changes or additions to the Motion.

6 K. Settlement Administrator. The Settlement Administrator shall be responsible for:
7 establishing and administering the QSF; calculating, processing and mailing payments
8 to the Class Representative, Class Counsel, LWDA and Class Members; printing and
9 mailing the Notice Packets to the Class Members as directed by the Court; receiving
10 and reporting the objections and requests for exclusion; calculating, deducting and
11 remitting all legally required taxes from Individual Settlement Payments and
12 distributing tax forms for the Wage Portion and Non-Wage Portion of the Individual
13 Settlement Payments and/or PAGA Class Members' individual shares of the PAGA
14 Settlement; processing and mailing tax payments to the appropriate state and federal
15 taxing authorities; providing declaration(s) as necessary in support of preliminary
16 and/or final approval of this Settlement; and other tasks as the Parties mutually agree
17 or the Court orders the Settlement Administrator to perform. The Settlement
18 Administrator shall keep the Parties timely apprised of the performance of all
19 Settlement Administrator responsibilities by among other things, sending a weekly
20 status report to the Parties' counsel stating the date of the mailing, the of number of
Elections Not to Participate in Settlement it receives (including the numbers of valid
and deficient), and number of objections received.

21 L. Notice Procedure.

22 1. Class Data. No later than ten (10) business days after the Preliminary
23 Approval Date, Defendant shall provide the Settlement Administrator with the
24 Class Data for purposes of preparing and mailing Notice Packets to the Class
Members.

25 2. Notice Packets.

26 a) The Notice Packet shall contain the Notice of Class Action Settlement
27 in a form substantially similar to the form attached as **Exhibit A**. The
28 Notice of Class Action Settlement shall inform Class Members and

PAGA Class Members that they need not do anything in order to receive an Individual Settlement Payment and/or PAGA Class Members' individual shares of the PAGA Settlement and to keep the Settlement Administrator apprised of their current mailing address, to which the Individual Settlement Payments and/or PAGA Class Members' individual shares of the PAGA Settlement will be mailed following the Funding Date. The Notice of Class Action Settlement shall set forth the release to be given by all members of the Class who do not request to be excluded from the Settlement Class and/or PAGA Class Members' in exchange for an Individual Settlement Payment and/or PAGA Class Members' individual shares of the PAGA Settlement, the number of Workweeks worked by each Class Member during the Class Period and PAGA Period, if any, and the estimated amount of their Individual Settlement Payment if they do not request to be excluded from the Settlement and each PAGA Class Members' share of the PAGA Settlement, if any. The Settlement Administrator shall use the Class Data to determine Class Members' Workweeks and PAGA Workweeks. The Notice will also advise the PAGA Class Members that they will release the Released PAGA Claims and will receive their share of the PAGA Settlement regardless of whether they request to be excluded from the Settlement.

b) The Notice Packet's mailing envelope shall include the following language: "IMPORTANT LEGAL DOCUMENT- YOU MAY BE ENTITLED TO PARTICIPATE IN A CLASS ACTION SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED NOTICE."

3. Notice by First Class U.S. Mail. Upon receipt of the Class Data, the Settlement Administrator will perform a search based on the National Change of Address Database to update and correct any known or identifiable address changes. No later than fourteen (14) calendar days after receiving the Class Data from Defendant, the Settlement Administrator shall mail copies of the

1 Notice Packet to all Class Members via regular First-Class U.S. Mail and
2 electronic mail. The Settlement Administrator shall exercise its best judgment
3 to determine the current mailing address for each Class Member. The address
4 identified by the Settlement Administrator as the current mailing address shall
5 be presumed to be the best mailing address for each Class Member.

- 6 4. Undeliverable Notices. Any Notice Packets returned to the Settlement
7 Administrator as non-delivered on or before the Response Deadline shall be
8 re-mailed to any forwarding address provided within 3 business days of its
9 return. If no forwarding address is provided, the Settlement Administrator
10 shall promptly attempt to determine a correct address by lawful use of skip-
11 tracing, or other search using the name, address and/or Social Security number
12 of the Class Member involved, and shall then perform a re-mailing, if another
13 mailing address is identified by the Settlement Administrator, within 3
14 business days of the return. Class Members who received a re-mailed Notice
15 Packet shall have their Response Deadline extended fifteen (15) days from the
16 original Response Deadline.

- 17 5. Disputes Regarding Individual Settlement Payments. Class Members will
18 have the opportunity, should they disagree with Defendant's records regarding
19 the start and end dates of employment to provide documentation and/or an
20 explanation to show contrary dates. If there is a dispute, the Settlement
21 Administrator will consult with the Parties to determine whether an
22 adjustment is warranted. The Settlement Administrator shall determine the
23 eligibility for, and the amounts of, any Individual Settlement Payments under
24 the terms of this Agreement. The Settlement Administrator's determination
25 of the eligibility for and amount of any Individual Settlement Payment shall
26 be binding upon the Class Member and the Parties.

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

1 7. Exclusions. The Notice of Class Action Settlement contained in the Notice
2 Packet shall state that Class Members who wish to exclude themselves from
3 the Settlement must submit a signed Request for Exclusion to the Settlement
4 Administrator by the Response Deadline. The Request for Exclusion will not
5 be valid if it is not timely submitted, if it is not signed by the Class Member,
6 or if it does not contain the name and address and last four digits of the Social
7 Security number of the Class Member. The date of the postmark on the
8 mailing envelope or fax stamp on the Request for Exclusion shall be the
9 exclusive means used to determine whether the request for exclusion was
10 timely submitted. Any Class Member who submits a timely Request for
11 Exclusion shall be excluded from the Settlement Class will not be entitled to
12 an Individual Settlement Payment and will not be otherwise bound by the
13 terms of the Settlement or have any right to object, appeal or comment
14 thereon. However, any Class Member that submits a timely Request for
15 Exclusion that is also a member of the PAGA Class will still receive his/her
16 pro rata share of the PAGA Settlement, as specified below, and in
17 consideration, will be bound by the Release by the PAGA Class as set forth
18 herein. Settlement Class Members who fail to submit a valid and timely
19 Request for Exclusion on or before the Response Deadline shall be bound by
20 all terms of the Settlement and any final judgment entered in this Action if the
21 Settlement is approved by the Court. No later than fourteen (14) calendar days
22 after the Response Deadline, the Settlement Administrator shall provide
23 counsel for the Parties with a final list of the Class Members who have timely
24 submitted timely Requests for Exclusion. At no time shall any of the Parties
25 or their counsel seek to solicit or otherwise encourage members of the Class
26 to submit Requests for Exclusion from the Settlement.

27 8. Objections. The Notice of Class Action Settlement contained in the Notice
28 Packet shall state that Class Members who wish to object to the Settlement
 may submit to the Settlement Administrator a written statement of objection
 ("Notice of Objection") by the Response Deadline. The postmark date of
 mailing shall be deemed the exclusive means for determining that a Notice of
 Objection was served timely. The Notice of Objection, if in writing, must be

1 signed by the Settlement Class Member and state: (1) the case name and
2 number; (2) the name of the Settlement Class Member; (3) the address of the
3 Settlement Class Member; (4) the last four digits of the Settlement Class
4 Member's Social Security number; (5) the basis for the objection; and (6) if
5 the Settlement Class Member intends to appear at the Final
6 Approval/Settlement Fairness Hearing. Class Members who fail to make
7 objections in writing in the manner specified above may still make their
8 objections orally at the Final Approval/Settlement Fairness Hearing with the
9 Court's permission. Settlement Class Members will have a right to appear at
10 the Final Approval/Settlement Fairness Hearing to have their objections heard
11 by the Court regardless of whether they submitted a written objection. At no
12 time shall any of the Parties or their counsel seek to solicit or otherwise
13 encourage Class Members to file or serve written objections to the Settlement
14 or appeal from the Order and Final Judgment. Class Members who submit a
15 written request for exclusion may not object to the Settlement. Class Members
16 may not object to the PAGA Settlement.

15 M. Funding and Allocation of the Gross Settlement Amount. Defendant is required to pay
16 the Gross Settlement Amount on or before the Funding Date, plus any employer's
17 share of payroll taxes as mandated by law within the time specified herein.

18 1. Calculation of Individual Settlement Payments. Individual Settlement
19 Payments shall be paid from the Net Settlement Amount and shall be paid
20 pursuant to the formula set forth herein. Using the Class Data, the Settlement
21 Administrator shall add up the total number of Workweeks for all Class
22 Members. The respective Workweeks for each Class Member will be divided
23 by the total Workweeks for all Class Members, resulting in the Payment Ratio
24 for each Class Member. Each Class Member's Payment Ratio will then be
25 multiplied by the Net Settlement Amount to calculate each Class Member's
26 estimated Individual Settlement Payments. Each Individual Settlement
27 Payment will be reduced by any legally mandated employee tax withholdings
28 (e.g., employee payroll taxes, etc.). Individual Settlement Payments for Class
Members who submit valid and timely requests for exclusion will be
redistributed to Settlement Class Members who do not submit valid and timely

1 requests for exclusion on a pro rata basis based on their respective Payment
2 Ratios.

3 2. Calculation of Individual Payments to the PAGA Class Members. Using the
4 Class Data, the Settlement Administrator shall add up the total number of
5 PAGA Pay Periods for all PAGA Class Members during the PAGA Period.
6 The respective PAGA Pay Periods for each PAGA Class Member will be
7 divided by the total PAGA Pay Periods for all PAGA Class Members,
8 resulting in the "PAGA Payment Ratio" for each PAGA Class Member. Each
9 PAGA Class Member's PAGA Payment Ratio will then be multiplied by the
10 PAGA Class Member Payment to calculate each PAGA Class Member's
11 estimated share of the PAGA Settlement.

12 3. Allocation of Individual Settlement Payments. For tax purposes, Individual
13 Settlement Payments shall be allocated and treated as 20% wages ("Wage
14 Portion") and 80% interest and penalties ("Non-Wage Portion"). The Wage
15 Portion of the Individual Settlement Payments shall be reported on IRS Form
16 W-2 and the Non-wage Portion of the Individual Settlement Payments shall
17 be reported on IRS Form 1099 issued by the Settlement Agreement.

18 4. Allocation of PAGA Class Member Payments. For tax purposes, PAGA Class
19 Member Settlement Payments shall be allocated and treated as 100% penalties
20 and shall be reported on IRS Form 1099.

21 5. No Credit Toward Benefit Plans. The Individual Settlement Payments and
22 individual shares of the PAGA Settlement made to Settlement Class Members
23 and/or PAGA Class Members under this Settlement Agreement, as well as any
24 other payments made pursuant to this Settlement Agreement, will not be
25 utilized to calculate any additional benefits under any benefit plans to which
26 any Class Members may be eligible, including, but not limited to profit-
27 sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans,
28 sick leave plans, PTO plans, and any other benefit plan. Rather, it is the
Parties' intention that this Settlement Agreement will not affect any rights,
contributions, or amounts to which any Class Members may be entitled under
any benefit plans.

- 1 6. All monies received by Settlement Class Members under the Settlement which
2 are attributable to wages shall constitute income to such Settlement Class
3 Members solely in the year in which such monies actually are received by the
4 Settlement Class Members. It is the intent of the Parties that Individual
5 Settlement Payments and individual shares of the PAGA Settlement provided
6 for in this Settlement agreement are the sole payments to be made by Defendants
7 to Settlement Class Members and/or PAGA Class Members in connection with
8 this Settlement Agreement, with the exception of Plaintiff, and that the
9 Settlement Class Members and/or PAGA Class Members are not entitled to any
10 new or additional compensation or benefits as a result of having received the
11 Individual Settlement Payments and/or their shares of the PAGA Settlement.
- 12 7. Mailing. Individual Settlement Payments and PAGA Class Member
13 Payments shall be mailed by regular First-Class U.S. Mail to Settlement Class
14 Members' and/or PAGA Class Members' last known mailing address no later
15 than fifteen (15) calendar days after the Funding Date.
- 16 8. Expiration. Any checks issued to Settlement Class Members and PAGA Class
17 Members shall remain valid and negotiable for one hundred and eighty (180)
18 days from the date of their issuance. If a Settlement Class Member and/or
19 PAGA Class Member does not cash his or her settlement check within 120
20 days, the Settlement Administrator will send a letter to such persons, advising
21 that the check will expire after the 180th day, and invite that Settlement Class
22 Member and/or PAGA Class Member to request reissuance in the event the
23 check was destroyed, lost or misplaced. In the event an Individual Settlement
24 Payment and/or PAGA Class Members' individual share of the PAGA
25 Settlement check has not been cashed within one hundred and eighty (180)
26 days, all funds represented by such uncashed checks, plus any interest accrued
27 thereon, shall be transmitted to the Controller of the State of California to be
28 held pursuant to the Unclaimed Property Law, California Civil Code § 1500
 et seq., in the names and corresponding amounts associated with each Class
 Member and/or Aggrieved Employee whose check(s) are cancelled.
9. Service Award. In addition to the Individual Settlement Payment and their
 individual share of the PAGA Settlement to be paid to Plaintiffs, Plaintiffs

will apply to the Court for an award of not more than \$10,000.00 for each Plaintiff as the Service Awards. Defendant will not oppose a Service Awards in these amounts. The Settlement Administrator shall pay the Service Awards, either in the amount stated herein if approved by the Court or some other amount as approved by the Court, to Plaintiffs from the Gross Settlement Amount no later than fifteen (15) calendar days after the Funding Date. Any portion of the requested Service Award that is not awarded to the Class Representative shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. The Settlement Administrator shall issue an IRS Form 1099 — MISC to Plaintiffs for their Service Award. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on his Service Award and shall hold harmless the Released Parties from any claim or liability for taxes, penalties, or interest arising as a result of the Service Awards. The Service Awards shall be in addition to Plaintiffs' Individual Settlement Payments as a Settlement Class Member. Approval of this Settlement shall not be conditioned on Court approval of the requested amount of the Service Awards. If the Court reduces or does not approve the requested Service Awards, Plaintiffs shall not have the right to revoke the Settlement, and it will remain binding.

10. Attorneys' Fees. Defendants understand a motion by Class Counsel for attorneys' fees not to exceed one-third of the Gross Settlement Amount currently estimated to be \$316,666.00 plus costs and expenses supported by declaration not to exceed Thirty Thousand Dollars (\$30,000.00), from the Gross Settlement Amount will be filed. Any portion of the requested Attorneys' Fees that is not awarded to Class Counsel shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. The Settlement Administrator shall allocate and pay the Attorneys' Fees to Class Counsel from the Gross Settlement Amount no later than fifteen (15) calendar days after the Funding Date. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the payment made pursuant to this paragraph. The Settlement Administrator shall issue an IRS Form 1099 — MISC to Class Counsel for the payments made

pursuant to this paragraph. In the event that the Court reduces or does not approve the requested Attorneys' Fees, Plaintiffs and Class Counsel shall not have the right to revoke the Settlement, or to appeal such order, and the Settlement will remain binding.

11. PAGA Payment. Five Thousand Dollars (\$50,000) shall be allocated from the Gross Settlement Amount for settlement of claims for civil penalties under the Private Attorneys General Act of 2004 ("PAGA Settlement"). The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Settlement (\$37,500) to the California Labor and Workforce Development Agency no later than fifteen (15) calendar days after the Funding Date (hereinafter "LWDA Payment"). Twenty-five percent (25%) of the PAGA Settlement (\$12,500) will be distributed to the PAGA Class Members as described in this Agreement (hereinafter "PAGA Class Member Payment"). For purposes of distributing the PAGA Settlement to the PAGA Class Members, each PAGA Class Member shall receive their pro-rata share of the PAGA Class Member Payment using the PAGA Payment Ratio as defined above.

12. Claims Administration Expenses. The Settlement Administrator shall be paid for the costs of administration of the Settlement from the Gross Settlement Amount. The estimate of the Settlement Administration Costs is \$15,500. The Settlement Administrator shall be paid the Class Administration Expenses no later than fifteen (15) calendar days after the Funding Date.

N. Final Approval Motion. Class Counsel and Plaintiffs shall use best efforts to file with the Court a Motion for Order Granting Final Approval and Entering Judgment, within twenty-eight (28) days following the expiration of the Response Deadline, which motion shall request final approval of the Settlement and a determination of the amounts payable for the Service Awards, the Attorneys' Fees, the Attorneys' Expenses, the PAGA Settlement, and the Settlement Administration Costs. Plaintiff will provide Defendant with a draft of the Motion at least 3 business days prior to the filing of the Motion to give Defendant an opportunity to propose changes or additions to the Motion.

1. Declaration by Settlement Administrator. No later than seven (7) days after the Response Deadline, the Settlement Administrator shall submit a

1 declaration in support of Plaintiff's motion for final approval of this
2 Settlement detailing the number of Notice Packets mailed and re-mailed to
3 Class Members, the number of undeliverable Notice Packets, the number of
4 timely requests for exclusion, the number of objections received, the amount
5 of the average Individual Settlement Payment and highest Individual
6 Settlement Payment, the Claims Administration Expenses, and any other
7 information as the Parties mutually agree or the Court orders the Settlement
Administrator to provide.

8 2. Final Approval Order and Judgment. Class Counsel shall present an Order
9 Granting Final Approval of Class Action Settlement to the Court for its
10 approval, and Judgment thereon, at the time Class Counsel files the Motion
for Final Approval.

11 N. Review of Motions for Preliminary and Final Approval. Class Counsel will provide
12 an opportunity for Counsel for Defendant to review the Motions for Preliminary and
13 Final Approval, including the Order Granting Preliminary Approval and Final
14 Approval of Class Action Settlement, and Judgment before filing with the Court. The
15 Parties and their counsel will cooperate with each other and use their best efforts to
16 affect the Court's approval of the Motions for Preliminary and Final Approval of the
Settlement, and entry of Judgment.

17 O. Cooperation. The Parties and their counsel will cooperate with each other and use
18 their best efforts to implement the Settlement.

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

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

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

- 1 S. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
2 represent they are expressly authorized by the Parties whom they represent to negotiate
3 this Agreement and to take all appropriate Action required or permitted to be taken by
4 such Parties pursuant to this Agreement to effectuate its terms, and to execute any
5 other documents required to effectuate the terms of this Agreement. The persons
6 signing this Agreement on behalf of Defendant represents and warrants that he/she is
7 authorized to sign this Agreement on behalf of Defendant. Plaintiffs represent and
8 warrant that they are authorized to sign this Agreement and that they have not assigned
9 any claim, or part of a claim, covered by this Settlement to a third-party.
- 10 T. No Public Comment: The Parties and their counsel agree that they will not issue any
11 press releases, initiate any contact with the press, respond to any press inquiry, or have
12 any communication with the press about the fact, amount or terms of the Settlement
13 Agreement. Class Counsel further agrees not to use the Settlement Agreement or any
14 of its terms for any marketing or promotional purposes. Nothing herein will restrict
15 Class Counsel from including publicly available information regarding this settlement
16 in future judicial submissions regarding Class Counsel's qualifications and experience.
17 Further, Class Counsel will not include, reference or use the Settlement Agreement for
18 any marketing or promotional purposes, either before or after the Motion for
19 Preliminary Approval is filed.
- 20 U. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure
21 to the benefit of, the successors or assigns of the Parties, as previously defined.
- 22 V. California Law Governs. All terms of this Agreement and the Exhibit and any disputes
23 shall be governed by and interpreted according to the laws of the State of California.
- 24 W. Counterparts. This Agreement may be executed in one or more counterparts. All
25 executed counterparts and each of them shall be deemed to be one and the same
26 instrument provided that counsel for the Parties to this Agreement shall exchange
27 among themselves copies or originals of the signed counterparts.
- 28 X. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this Settlement
is a fair, adequate and reasonable settlement of this Action and have arrived at this
Settlement after extensive arms-length negotiations, taking into account all relevant
factors, present and potential.

Y. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with respect to the interpretation, implementation and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing and enforcing the settlement and all orders and judgments entered in connection with this Agreement.

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

AA. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this settlement only.

BB. No Admissions by the Parties. Plaintiff has claimed and continues to claim that the Released Claims have merit and give rise to liability on the part of Defendant. Defendants claim that the Released Claims have no merit and do not give rise to liability. This Agreement is a compromise of disputed claims. Nothing contained in this Agreement and no documents referred to and no action taken to carry out this Agreement may be construed or used as an admission by or against the Defendants or Plaintiff or Class Counsel as to the merits or lack thereof of the claims asserted. Other than as may be specifically set forth herein, each Party shall be responsible for and shall bear its/his own attorney's fees and costs.

IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

DATED: _____

CHRISTOPHER CHACON

DocuSigned by:

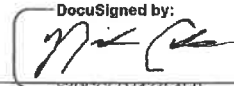


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VYNZ PUNONGBAYAN

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DATED: 3/8/2023

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LUIS VEGA

IS SO AGREED, FORM AND CONTENT, BY DEFENDANT:

DATED: 3/14/2020


PANDA MOTORS, INC.



Printed Name



Title

IT IS SO AGREED AS TO FORM BY COUNSEL:

DATED: _____

BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW, LLP.

By: _____

Attorneys for Plaintiff and the Settlement Class
Members

DATED: _____

ROBINSON DI LANDO, APLC

By: _____

Attorneys for Plaintiff and the Settlement Class
Members

1 DATED: March 9, 2023

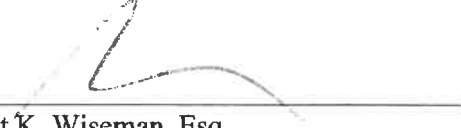
ZAKAY LAW GROUP, APLC

2 By: 

3 Attorneys for Plaintiff and the Settlement Class
4 Members

5
6 DATED: 3/13/23

MADISON LAW

7 By: 

8 Brett K. Wiseman, Esq.
9 Attorneys for Defendant
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- 1 Y. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with
2 respect to the interpretation, implementation and enforcement of the terms of this
3 Agreement and all orders and judgments entered in connection therewith, and the
4 Parties and their counsel submit to the jurisdiction of the Court for purposes of
5 interpreting, implementing and enforcing the settlement and all orders and judgments
6 entered in connection with this Agreement.
- 7 Z. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid,
8 the Court shall first attempt to construe the provisions valid to the fullest extent
9 possible consistent with applicable precedents so as to define all provisions of this
10 Agreement valid and enforceable.
- 11 AA. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
12 certification for purposes of this settlement only.
- 13 BB. No Admissions by the Parties. Plaintiff has claimed and continues to claim that the
14 Released Claims have merit and give rise to liability on the part of Defendant.
15 Defendants claim that the Released Claims have no merit and do not give rise to
16 liability. This Agreement is a compromise of disputed claims. Nothing contained in
17 this Agreement and no documents referred to and no action taken to carry out this
18 Agreement may be construed or used as an admission by or against the Defendants or
19 Plaintiff or Class Counsel as to the merits or lack thereof of the claims asserted. Other
20 than as may be specifically set forth herein, each Party shall be responsible for and
21 shall bear its/his own attorney's fees and costs.

22 IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

23 DATED: Mar 8, 2023 *Christopher Chacon*
24 Christopher C. Chacon (Mar 8, 2023 20:42 PST)

25 CHIRSTOPHER CHACON

26 DATED: _____

27 VYNZ PUNONGBAYAN

28 DATED: _____

NICHOLAS CORDERO

EXHIBIT A

PLEASE READ CAREFULLY – THIS AFFECTS YOUR RIGHTS

* * * * *

NOTICE REGARDING POTENTIAL DISCLOSURE OF YOUR NAME, HOME ADDRESS, EMAIL ADDRESS, AND TELEPHONE NUMBER

1. PURPOSE OF NOTICE

The purpose of this notice (“Notice”) is to inform you about a request for your private contact information, including your rights regarding the release of your private contact information. This contact information includes your *name, home address, email address, and telephone number*.

You have received this Notice because you have been identified as a current or former employee of Panda Motors, Inc (“Defendant”) during the relevant time in a pending lawsuit against Defendant.

2. BACKGROUND OF LITIGATION

A lawsuit has been filed against Defendant by Christopher Chacon (“Plaintiff”). That case is pending in the Superior Court of the State of California, County of San Bernardino, entitled *Christopher Chacon v. Panda Motors, Inc.* Case No. CIVDS2022220.

The lawsuit alleges that Defendant failed to pay Plaintiff, and other current and former employees of Defendant, overtime wages, failed to pay minimum wages, failed to provide meal breaks, failed to authorize and permit rest breaks, failed to issue accurate itemized wage statements, failed to provide wages owed upon discharge, are liable for civil penalties, and engaged in unfair business practices from October 14, 2016 to the present. Defendant denies these allegations and denies any liability or wrongdoing. The Court in this lawsuit has not determined the merits of the allegations, that Defendant has violated any laws, or whether the lawsuit should proceed as a class action or only on behalf of Plaintiff. The parties are in the process of investigating the facts of this case.

3. YOUR PRIVACY RIGHTS REGARDING DISCLOSURE OF YOUR CONTACT INFORMATION

The attorneys for the Plaintiff are seeking your *name, home address, email address and telephone number* so they can contact you about the allegations made in the lawsuit. The attorneys for the Plaintiff wish to gather information about the nature of the work you do (or used to do) while employed at Defendant, including the amount of overtime you may have worked. Defendant has not yet released your name and personal contact information to Plaintiff’s attorneys.

If you do not want your *name, home address, email address, and telephone number* disclosed to Plaintiff’s attorneys, you need to sign and date the enclosed, self-addressed, postage-prepaid postcard and return it no later than [date certain]. If you do not mail the postcard by [date certain], your contact information will be released to Plaintiff’s attorneys. If you agree to Plaintiff’s attorneys receiving your contact information, then you do not need to anything in response to this Notice.

Please note that the release of your contact information will not automatically make you a plaintiff in the lawsuit. If your contact information is released, you still have the right to decide if you want to participate. You are under no obligation to provide information or to discuss this matter with Plaintiffs' attorneys or any person representing the Plaintiff or the proposed class. You are under no obligation to provide information or to discuss this matter with Defendant's attorneys or any person representing Defendant.

4. YOU MAY CONTACT EITHER PARTY WITH QUESTIONS, BUT ARE NOT REQUIRED TO; PLEASE DO NOT CONTACT THE COURT

This is not a communication from the Court and is not an expression or opinion by the Court as to the merits of the claims or defenses by either side in this litigation. Please do not contact the Court. If you have any questions about this Notice or the lawsuit, you have the right to contact counsel for Plaintiffs or counsel for Defendant. You may do so at the following address and/or telephone number:

Plaintiffs' Counsel:

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Jackland K. Hom
Julieann Alvarado
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5440 Morehouse Drive, Suite 3400
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Tel: (619) 255-9047

DDD's Counsel:

Brett K. Wiseman
Susanna F. Wiseman
MADISON LAW, APC
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Irvine, California 92614
Tel: (949) 756-9050