

JOINT STIPULATION AND SETTLEMENT AGREEMENT

Subject to final approval by the Court, this Settlement Agreement is made by and between Plaintiff Luis Miranda (“Plaintiff”), individually and as a representative of the Class, as defined below, the Eligible Aggrieved Employees (as defined below), and the State of California, on the one hand, and Defendants New Pride Tire, Inc., Flexi-Van Leasing, LLC, and NPT Ventures, LLC, including, but not limited to, all their past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, and parent companies (collectively, “Defendants”), on the other hand. Plaintiff and Defendants collectively are referred to in this Agreement as the “Parties.” This Settlement Agreement is subject to the approval of the Court and is made for the sole purpose of attempting to consummate settlement of the Action on a class-wide basis subject to the following terms and conditions. As detailed below, in the event the Court does not enter an order granting final approval of the Settlement, or the conditions precedent are not met for any reason, this Settlement Agreement is void and of no force or effect whatsoever.

I. DEFINITIONS

In addition to the other terms defined in this Agreement, the terms below have the following meaning:

- A. **Action**: The Class Action Complaint that was filed on May 11, 2020, in the Superior Court of California, County of Alameda, which is captioned *Luis Miranda, individually, and on behalf of other members of the general public similarly situated v. New Pride Tire, Inc.*, Case No. RG20063513, amended on April 16, 2021 to add two additional defendants, Flexi-Van Leasing, LLC and NPT Ventures, LLC. On March 14, 2022, the Court consolidated the Action with the PAGA Action (described below) with the Action designated as the lead case. A First Amended Complaint for the Action was filed on May 10, 2022.
- B. **Administration Costs**: The costs incurred by the Settlement Administrator to administer this Settlement, which is currently estimated at \$7,350, shall not exceed \$9,000 and shall be paid from the Gross Settlement Amount in the Qualified Settlement Fund.
- C. **Agreement, Settlement Agreement, Joint Stipulation, or Settlement**: The settlement agreement reflected in this document, titled “Joint Stipulation and Settlement Agreement,” including its exhibits.
- D. **Attorney Fee Award**: The amount, not to exceed one-third of the Gross Settlement Amount or \$100,000, subject to Court approval, the amounts to be paid to Class Counsel for attorneys’ fees to compensate Class Counsel for their legal work in connection with the Action, including their pre-filing investigation, their filing of the Action, all related litigation activities, all

Settlement work, all post-Settlement compliance procedures, and related litigation expenses billed in connection with the Action. The Attorney Fee Award shall be paid from the Gross Settlement Amount in the Qualified Settlement Fund and will not be opposed by Defendants.

- E. **Class:** All current or former hourly-paid, non-exempt workers, whether direct hires of Defendants or supplied through a staffing company and who are or were assigned to New Pride Tire, Inc.'s and related entities' Rancho Dominguez location located at 2757 East Del Amo Blvd., Rancho Dominguez, California 90221 and/or Oakland location located at 8977 Railroad Ave., Oakland, California 94621, from August 18, 2018, to the date of Preliminary Approval or August 31, 2022, whichever date is earlier.
- F. **Class Counsel:** Douglas Han, Shunt Tatavos-Gharajeh, and Phillip Song of Justice Law Corporation.
- G. **Class Data:** The Class Data means information regarding Class Members that Defendants will compile from its available, existing, electronic records and provide to the Settlement Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall include: (i) each Class Member's full name; (ii) each Class Member's last-known address; (iii) each Class Member's Social Security and Employee ID number; and (iv) the Class Member's relevant dates of employment; provided, however, that the confidentiality of the Class Data shall be maintained by the Settlement Administrator in a manner reasonably calculated to protect the privacy interest of each Class Member.
- H. **Class Member:** Each person eligible to participate in this Settlement who is a member of the Class as defined above.
- I. **Class Notice:** The Notice of Class and Representative Action Settlement, substantially similar to the form attached hereto as **Exhibit A**, incorporated by reference into this Agreement and subject to Court approval.
- J. **Class Period:** The time period from August 18, 2018, to the date of Preliminary Approval or August 31, 2022, whichever date is earlier.
- K. **Class Representative or Plaintiff:** Luis Miranda.
- L. **Class Representative Enhancement Payment:** The additional monetary payment awarded by the Court to Plaintiff in an amount not to exceed \$10,000 in order to compensate him for initiating the Action, performing work in support of the Action, undertaking the risk of liability for Defendants' expenses in the event Plaintiff was unsuccessful in the prosecution of the Action, and for the general release of all claims by Plaintiff. This Class Representative Enhancement Payment shall be paid from the Gross Settlement Amount in the

Qualified Settlement Fund and will not be opposed by Defendants. This Class Representative Enhancement Payment is subject to approval of the Court.

- M. **Complaints:** The Class Action Complaint that was filed on May 11, 2020 in the Superior Court of California, County of Alameda, which is captioned *Luis Miranda, individually, and on behalf of other members of the general public similarly situated v. New Pride Tire, Inc.*, Case No. RG20063513, amended on April 16, 2021 to add two additional defendants, Flexi-Van Leasing, LLC and NPT Ventures, LLC, and the related PAGA Complaint caption *Luis Miranda, individually, and on behalf of aggrieved employees, under the Private Attorneys General Act v. New Pride Tire, Inc.*, Case No. RG2003371, amended on April 19, 2021 to add to additional defendants, Flexi-Van Leasing, LLC and NPT Ventures, LLC. A First Amended Complaint was filed on May 10, 2022.
- N. **Cost Award:** The amount subject to Court approval, to be paid to Class Counsel for expenses to compensate Class Counsel for related litigation expenses billed in connection with the Action, subject to proof and not to exceed \$15,000. The Cost Award will be paid from the Gross Settlement Amount in the Qualified Settlement Fund and will not be opposed by Defendants.
- O. **Counsel for Defendants:** Attorneys Ellen Bronchetti and Saniya Ahmed of McDermott Will & Emery LLP.
- P. **Court:** The Superior Court of California, County of Alameda.
- Q. **Defendants:** New Pride Tire, Inc., Flexi-Van Leasing, LLC, and NPT Ventures, LLC, including, but not limited to, all their past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, and parent companies.
- R. **Effective Final Settlement Date:** The effective date of this Settlement will be when the Final Approval of the Settlement can no longer be appealed or, if there are no objectors and no Plaintiff-in-intervention at the time the Court grants Final Approval of the Settlement, the date the court grants Final Approval of the Settlement.
- S. **Eligible Aggrieved Employees:** All current or former hourly-paid, non-exempt workers, whether direct hires of Defendants or supplied through a staffing company and who are or were assigned to New Pride Tire, Inc.'s and related entities' Rancho Dominguez location located at 2757 East Del Amo Blvd., Rancho Dominguez, California 90221 and/or Oakland location located at 8977 Railroad Ave., Oakland, California 94621, from February 7, 2019, to the date of Preliminary Approval or August 31, 2022, whichever date is earlier.

- T. **Exclusion Form:** The Election Not To Participate In Class Action Settlement (“Opt-Out Form”), substantially similar to the form attached hereto as **Exhibit B**, subject to Court approval.
- U. **Final Approval:** The final order entered by the Court after the Final Approval hearing, certifying the Class, approving the terms and conditions of this Agreement, authorizing distribution of the Settlement Checks, Class Representative Enhancement Payment, Cost Award, Attorney Fee Award, Administration Costs, Individual Settlement Shares, and PAGA Payment, consistent with this Agreement.
- V. **Gross Settlement Amount or GSA:** The agreed upon common fund settlement amount totaling Three Hundred Thousand Dollars (\$300,000) to be paid by Defendants in full settlement of the Released Claims asserted in this Action. This Gross Settlement Amount is an all-in amount without any reversion to Defendants and shall be inclusive of all payments of: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) Attorney Fee Award and Cost Award to Class Counsel for attorneys’ fees and costs, as approved by the Court; (3) the Class Representative Enhancement Payment paid to Plaintiff, as approved by the Court; (4) Administration Costs, as approved by the Court; (5) the PAGA Payment to the LWDA and to Eligible Aggrieved Employees (which amount includes all Individual PAGA Payments), and (6) any and all employee-side taxes, as approved by the Court. The Gross Settlement Amount is non-reversionary to Defendants and shall be paid without the need to submit a claim form.
- W. **Individual PAGA Payment(s):** The amount payable to each Eligible Aggrieved Employee from the portion of the PAGA Payment allocated to the Eligible Aggrieved Employee under the terms of this Agreement. Eligible Aggrieved Employees are not required to submit a claim form to receive their Individual PAGA Payment.
- X. **Individual Settlement Share(s):** The amount payable to each Participating Class Member under the terms of this Agreement shall come from the Net Settlement Amount only and shall include employee-side taxes withheld by the Settlement Administrator as required by law. Class Members are not required to submit a claim form to receive their Individual Settlement Shares pursuant to this Agreement.
- Y. **LWDA:** California Labor and Workforce Development Agency.
- Z. **Net Settlement Amount or NSA:** The Gross Settlement Amount less the Attorney Fee Award, Cost Award, Class Representative Enhancement Payment, the PAGA Payment, and Administration Costs.
- AA. **Notice Packet:** The Class Notice and Exclusion Form.

- BB. Opt-Outs:** A Class Member who submits a valid and timely Exclusion Form.
- CC. PAGA:** The Labor Code Private Attorneys General Act of 2004 (Labor Code §§ 2698 *et seq.*)
- DD. PAGA Action:** The putative representative PAGA action that was filed on May 11, 2020 in the Superior Court of California, County of Alameda, captioned *Luis Miranda, individually, and on behalf of aggrieved employees, v. New Pride Tire, Inc.*, Case No. RG2003371, amended on April 19, 2021 to add to additional defendants, Flexi-Van Leasing, LLC and NPT Ventures, LLC. On March 14, 2022, the Court consolidated the PAGA Action with the Action (described above) with the Action designated as the lead case.
- EE. PAGA Notice:** The PAGA Notice refers to the pre-filing notice of Labor Code violations served by Plaintiff on the LWDA and Defendants on February 7, 2020.
- FF. PAGA Payment:** The PAGA Payment consists of \$20,000 of the Gross Settlement Amount allocated to satisfy the PAGA penalties claim as alleged in the PAGA Action. Seventy-five percent (75%) of the PAGA Payment (\$15,000) shall be paid to the LWDA, and twenty-five percent (25%) (\$5,000) of the PAGA Payment shall be distributed to Eligible Aggrieved Employees, on a pro-rata basis, as set forth below.
- GG. PAGA Period:** The period between February 7, 2019, to the date of Preliminary Approval or August 31, 2022, whichever date is earlier.
- HH. PAGA Released Claims:** PAGA Released Claims mean any and all allegations, causes of action, liabilities, demands, obligations, and claims against PAGA Released Parties for penalties pursuant to PAGA based on any and all underlying Labor Code violations that were or reasonably could have been alleged in the Complaints and the PAGA Notice that arose during the PAGA Period, which includes, but is not necessarily limited to, alleged violations of Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226, 226.3, 226.7, 510, 512, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802.
- II. PAGA Released Parties:** Defendants and their past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents, attorneys, any entities which can be considered joint employers, and any and all staffing companies engaged by Defendants during the PAGA Period.

- JJ. Participating Class Members:** All Class Members who do not submit a valid and timely request to exclude themselves from the Class Action Settlement and who will have released the Released Claims.
- KK. Parties:** Plaintiff on behalf of himself, the Class Members, the State of California, on the one hand, and Defendants New Pride Tire, Inc., Flexi-Van Leasing, LLC, and NPT Ventures, LLC, including, but not limited to, all their past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, and parent companies.
- LL. Preliminary Approval or Preliminary Approval Order:** The Court's order (1) preliminarily certifying the Class solely for the purpose of effectuating the Agreement; (2) preliminarily approving the terms and conditions of this Agreement; (3) appointing Class Counsel as defined above; (4) directing the manner and timing of providing Notice Packet to the Class Members; and (5) setting dates to effectuate the terms of this Agreement, including the date of the Final Approval hearing, and incorporated by reference into this Agreement.
- MM. Qualified Settlement Fund or QSF:** A fund within the meaning of Treasury Regulation section 1.46B-1, 26 C.F.R. section 1.468B-1, *et seq.*, that is established by the Settlement Administrator, pursuant to the terms and conditions of this Agreement, for maintenance and distribution of the Gross Settlement Amount for the benefit of Participating Class Members, LWDA, Eligible Aggrieved Employees, Plaintiff and Class Counsel.
- NN. Released Claims:** The released claims means all causes of action and factual or legal theories that were alleged in the Complaints or reasonably could have been alleged in the Complaints on Plaintiff's or any Class Member's behalf based on the facts and legal theories contained in the Complaints, including, but not limited to, all of the following causes of action: (1) Violation of Labor Code sections 510 and 1198 (Unpaid Overtime); (2) Violation of Labor Code sections 226.7 and 512 (Unpaid Meal Period Premiums); (3) Violation of Labor Code section 226.7 (Unpaid Rest Period Premiums); (4) Violation of Labor Code sections 1194 and 1197 (Unpaid Minimum Wages); (5) Violation of Labor Code sections 201, 202 and 203 (Final Wages Not Timely Paid); (6) Violation of Labor Code section 226(a) (Non-Compliant Wage Statements); (7) Violation of Labor Code sections 2800 and 2802 (Unreimbursed Business Expenses); (8) Violations of Business & Professions Code sections 17200, *et seq.*; (9) Civil Penalties for Violation of Labor Code §§ 2698, *et seq.*; (10) any other claims or penalties under the wage and hour laws pleaded or that reasonably could have been alleged in the Complaints and Class Action; and (11) all damages, penalties, interest and other amounts recoverable under said causes of action under California law and federal law, to the extent permissible, including but not limited to the Labor Code as to the facts alleged in the Class Action, the

applicable Wage Orders as to the facts alleged in the Complaints, and the California Unfair Competition Law (collectively, the “Released Claims”). The *res judicata* effect of the Final Approval will be the same as that of the Release.

- OO. **Released Parties:** Defendants and their past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents, and attorneys.
- PP. **Response Deadline:** Forty-five (45) calendar days from the initial mailing of the Notice Packet; provided, however, that if a Notice Packet is remailed to a Class Member, such Class Member will have an additional ten (10) days—for a total of fifty-five (55) calendar days from the initial mailing of the initial Notice Packet—opt-out of this Agreement or file and serve an objection to the Settlement.
- QQ. **Settlement Administrator:** The third-party administrator agreed upon by Parties to administer this Settlement is Simpluris, Inc., subject to approval by the Court.

II. **RECITALS**

- A. February 7, 2020, Plaintiff provided written notice on behalf of himself and other allegedly aggrieved employees to the LWDA and Defendants. On May 11, 2020, Plaintiff filed the Action that alleged eight (8) causes of action. On April 16, 2021, Plaintiff filed an Amendment to Complaint (Fictitious Name; [Proposed] Order for the Action that substituted Defendants Flexi-Van Leasing, LLC and NPT Ventures, LLC for the fictitious names listed in the initial complaint.

On May 11, 2020, Plaintiff also filed the PAGA Action seeking civil penalties from the same or similar factual theories arising out of the Labor Code violations asserted in the Action. On April 19, 2021, Plaintiff filed an Amendment to Complaint (Fictitious Name); [Proposed] Order for the PAGA Action that substituted Defendants Flexi-Van Leasing, LLC and NPT Ventures, LLC for the fictitious names listed in the initial complaint.

On April 9, 2021, the Parties attended mediation for both actions with wage-and-hour mediator, Debbie Saxe, Esq. but were unable to reach a resolution that day. On February 10, 2022, after continued negotiations with the assistance of the mediator, the Parties were ultimately able to reach a global resolution of the Action and PAGA Action.

On March 14, 2022, this Court ordered that the Action and the PAGA Action be consolidated with the Action being designated as the lead case. Afterwards, on May 10, 2022, Plaintiff filed a First Amended Complaint.

- B. Discovery and Investigation.** The Parties conducted significant investigation and discovery of the facts and law both before and after the Action and PAGA Action was filed. Prior to mediation, Defendants produced hundreds of documents relating to its policies, practices, and procedures regarding reimbursement of business expenses, paying non-exempt employees for all hours worked, meal and rest period policies, and payroll and operational policies. As part of Defendants' production, Plaintiff also reviewed time records, pay records, and information relating to the size and scope of the Class, the size and scope of the group of Eligible Aggrieved Employees, as well as data permitting Plaintiff to understand the number of workweeks in the Class Period and PAGA Period. Plaintiff also interviewed Class Members and Eligible Aggrieved Employees who worked for Defendants throughout the Class Period and PAGA Period, respectively. The Parties agree that the above-described investigation and evaluation, as well as the information exchanged during the settlement negotiations, are more than sufficient to assess the merits of the respective Parties' positions and to compromise the issues on a fair and equitable basis.
- C. Benefits of Settlement to Class Members, the LWDA, and the Eligible Aggrieved Employees.** The Parties believe this Agreement constitutes a fair, adequate, and reasonable settlement of the Action and have arrived at this Agreement in arms-length negotiations, considering all relevant factors, present and potential, and will so represent to the Court. This Agreement also represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendants that the claims in the Action of Plaintiff, the Class or the Eligible Aggrieved Employees have merit or that Defendants bear any liability to Plaintiff, the Class or the Eligible Aggrieved Employees on those claims or any other claims, or as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree to certification of the Class for purposes of this Settlement only. If for any reason the Settlement does not become effective, Defendants reserve the right to contest certification for any reason and reserve all available defenses to the claims in the Action.
- D. Defendants' Reasons for Settlement.** Defendants recognize that the defense of this litigation will be protracted and expensive. Substantial amounts of time, energy, and resources of Defendants have been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff. Defendants, therefore, have agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest, the Released Claims and the PAGA Released Claims.
- E. Defendants' Denial of Wrongdoing.** Defendants generally and specifically denies any and all liability or wrongdoing of any sort with regard to any of the claims alleged makes no concessions or admissions of liability of any sort, and

contends that for any purpose other than settlement, the Class Action and PAGA Action are not appropriate for class or representative treatment. Defendants assert several defenses to the claims and have denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Class Action and PAGA Action. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendants or any of the Released Parties or any of the PAGA Released Parties of any fault, wrongdoing, or liability whatsoever. Nor should the Agreement be construed as an admission that Plaintiff can serve as an adequate Class Representative. There has been no determination by any court as to the merits of the claims asserted by Plaintiff against Defendants or as to whether a class or classes should be certified, other than for settlement purposes only. This Agreement is a compromise of claims disputed in good faith. The monies being paid as part of the Settlement are genuinely disputed, and the Parties agree that the provisions of Labor Code § 206.5 are not applicable to this Settlement.

- F. Plaintiff's Claims.** This Agreement is a compromise of disputed claims. The monies being paid as part of the Settlement are genuinely disputed, and the Parties agree that the provisions of Labor Code section 206.5 are not applicable to this Settlement. However, in the event that this Settlement is finally approved by the Court, none of Plaintiff, the LWDA, Eligible Aggrieved Employees, Class Members, or Class Counsel will oppose Defendants' efforts to use this Agreement to prove that Plaintiff, the Class Members, the LWDA, and the Eligible Aggrieved Employees have resolved and are forever barred from re-litigating the Released Claims and PAGA Released Claims, as applicable.

III. SETTLEMENT TERMS AND CONDITIONS

- A. Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the maximum Gross Settlement Amount, excluding employer payroll taxes, that Defendants will pay under this Agreement is Three Hundred Thousand Dollars (\$300,000). This amount is all-inclusive of all payments contemplated in this resolution, and excluding any employer payroll taxes, if any, due on the portion of the Settlement Shares allocated to wages which shall not be paid from the Gross Settlement and shall be the separate additional obligation of Defendants. All the Gross Settlement Amount will be disbursed pursuant to this Agreement without the need to submit a claim form and none of the Gross Settlement Amount will revert to Defendants. The Gross Settlement Amount and other actions and forbearances taken by Defendants shall constitute adequate consideration for the Settlement and will be made in full and final settlement of: (1) the Released Claims, (2) Attorney Fee Award, (3) the Cost Award, (4) the Administration Costs, (5) the Class Representative Enhancement Payment, (6) the PAGA payment, and (7) any other obligation of

Defendants under this Agreement (other than the Employer's Taxes on the portion of the Net Settlement Amount allocated to the payment of wages).

- B. Class Certification.** Solely for the purposes of this Settlement, the Parties stipulate and agree to certification of the claims asserted on behalf of Class Members. As such, the Parties stipulate and agree that for this Settlement to occur, the Court must certify the Class as defined in this Agreement. Should the Settlement not become final and effective as herein provided, class certification shall immediately be set aside, and the Settlement Class immediately decertified (subject and without prejudice to further proceedings on motion of any Party to certify or deny certification thereafter).
- C. Conditional Nature of Stipulation for Certification.** The Parties stipulate and agree to the certification of the claims asserted on behalf of Plaintiff and Class Members for purposes of this Settlement only. If the Settlement does not become effective, the fact that the Parties were willing to stipulate to certification as part of the Settlement shall not be admissible or used in any way in connection with the question of whether any arbitrator or court, including this Court, should certify any claims in a non-settlement context in this Class Action or in any other lawsuit or venue. If the Settlement does not become effective, Defendants reserves the right to contest any issues relating to class certification, liability, and damages.
- D. Appointment of Class Representative.** Solely for the purposes of this Settlement, and without prejudice to Defendants asserting that Plaintiff is not an adequate class representative in this or any other proceeding or in an event this Settlement does not become final and effective as provided herein, the Parties stipulate and agree Plaintiff shall be appointed as the representative for the Class.
- E. Appointment of Class Counsel.** Solely for the purpose of this Settlement, the Parties stipulate and agree that the Court appoint Class Counsel to represent the Class.
- F. Settlement Disbursement.** Subject to the terms and conditions of this Agreement and the approval of the Court, the Settlement Administrator will disburse the Gross Settlement Amount as follows:

 - 1. To the Plaintiff, Luis Miranda.** In addition to his respective Individual Settlement Share, and subject to the Court's approval and Plaintiff's execution of the general release as set forth herein, Plaintiff will receive up to Ten Thousand Dollars (\$10,000) as a Class Representative Enhancement Payment. Defendants will not oppose Class Representative Enhancement Payment of no more than \$10,000 for the Plaintiff. The Settlement Administrator will pay the Class Representative Enhancement Payment out of the Gross Settlement Amount in the Qualified Settlement Fund. Payroll

tax withholdings and deductions will be taken from ten percent (10%) of the Class Representative Enhancement Payment and Plaintiff must submit all required tax paperwork as a condition of payment. An IRS Form 1099 will be issued to Plaintiff with respect to the remaining ninety percent (90%) of his Class Representative Enhancement Payment which is not subject to taxes. Plaintiff shall be solely and legally responsible for paying any and all applicable taxes on the Class Representative Enhancement Payment that is not subject to taxes and withholdings. Plaintiff will hold harmless Defendants, the PAGA Released Parties, and the Released Parties from any claim or liability for taxes, penalties, or interest arising because of the Class Representative Enhancement Payment. In the event the Court does not approve the entirety of the application for the Class Representative Enhancement Payment, the Settlement Administrator shall pay whatever amount the Court awards out of the Gross Settlement Amount in the Qualified Settlement Fund, and neither Defendants nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount approved by the Court. If the amount awarded is less than the amount requested by Plaintiff, the difference shall become part of the NSA and will be distributed to Participating Class Members in accordance with the terms of this Agreement. If the Court reduces or does not approve the requested Class Representative Enhancement Payment, Plaintiff shall not have the right to modify or revoke the Settlement, and it will remain binding, nor will Plaintiff seek, request, or demand an increase in the Gross Settlement Amount on that basis.

2. **To Class Counsel.** Class Counsel will apply to the Court for a total Attorney Fee Award not to exceed one-third (1/3) or \$100,000 of the GSA and a Cost Award not to exceed \$15,000 for all expenses incurred as documented in Class Counsel's billing records. Defendants will not oppose Class Counsel's request for an Attorney Fee Award and Cost Award consistent with this Agreement and approved by the Court. The Settlement Administrator will pay the Court-approved amounts for the Attorney Fee Award and Cost Award out of the Gross Settlement Amount in the Qualified Settlement Fund. IRS Forms 1099 will be issued to Class Counsel with respect to these payments. Class Counsel shall be solely and legally responsible for paying all applicable taxes on the Attorney Fee Award and Cost Award. In the event the Court does not approve the entirety of the application for the Attorney Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount the Court awards from the GSA in the Qualified Settlement Fund, and neither Defendants nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Class Counsel for the Attorney Fee Award and/or Cost Award, the difference shall become part of the NSA and will be distributed to Participating Class Members in accordance with the terms of this Agreement. The Parties agree that over and above the Court-

approved Attorney Fee Award and Cost Award, each of the Parties, including all Class Members, shall bear their own fees and costs, including, but not limited to, those related to the investigation, filing, prosecution, or Settlement of the Class Action and PAGA Action; the negotiation, execution, or implementation of this Agreement; and/or the process of obtaining, administering or challenging the Preliminary Approval Order and/or Final Approval. In the event that the Court reduces or does not approve the requested Attorney Fee Award and Cost Award, and/or if the amount awarded is less than the amount requested by Class Counsel for the Attorney Fee Award and/or Cost Award, Plaintiff and Class Counsel shall not have the right to modify or revoke the Settlement, or to appeal such order, and the Settlement will remain binding, nor will Plaintiff or Class Counsel seek, request, or demand an increase in the Gross Settlement Amount on that basis.

3. **To the Responsible Tax Authorities.** The Settlement Administrator will withhold the amount of each Participating Class Member's portion of normal payroll withholding taxes out of each Participating Class Member's Individual Settlement Share. The Settlement Administrator will calculate the amount of the Participating Class Members' and Defendants' portion of payroll withholding taxes. The Settlement Administrator will submit Defendants' portion of payroll withholding tax calculation to Defendants for additional funding and shall forward those amounts withheld to the appropriate taxing authorities.
4. **To the Settlement Administrator.** The Settlement Administrator will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court not to exceed \$9,000. This will be paid out of Gross Settlement Amount in the Qualified Settlement Fund. If the actual amount of Administration Costs are less than the amount estimated and/or requested, the difference shall become part of the NSA and will be distributed to Participating Class Members in accordance with the terms of this Agreement.
5. **To Participating Class Members.** The Settlement Administrator will pay each Participating Class Member the Class Member's Individual Settlement Share from the NSA.
 - a. **Individual Settlement Share Calculation.** The Individual Settlement Share is calculated based on each Participating Class Member's pro-rata share of the Net Settlement Amount based on workweeks during the Class Period as follows: (i) the number of weeks he or she worked as an hourly-paid, non-exempt worker, whether hired directly or employed by a staffing company, who performed work at Defendants' facilities within the State of California during the Class Period, divided by (ii) the total number

of weeks worked by all Participating Class Members collectively during the Class Period, which is then multiplied by the Net Settlement Amount. The Settlement Administrator will use the Class Data to calculate the number of workweeks worked by each Participating Class Member based on their dates of employment for purposes of this calculation.

- b. Tax Treatment for Individual Settlement Shares.** Each Participating Class Member's Individual Settlement Share will be apportioned as follows: twenty percent (20%) wages (the "Wage Portion") and eighty percent (80%) interest, penalties, and reimbursements (collectively the "Non-Wage Portion"). The Wage Portion shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms. Subject to requirements of applicable law, payment of all amounts subject to withholdings will be made subject to backup withholding. Payroll tax withholding and deductions will not be taken from the Non-Wage Portion and instead a Form 1099 will be issued to each of the Participating Class Member, who will assume full responsibility and liability for the taxes due on their Non-Wage Portion of their Individual Settlement Shares and shall hold Defendants harmless from any and all liability with regard thereto. Participating Class Members will be responsible for the payment of any taxes and penalties assessed on the Individual Settlement Shares and will be solely responsible for any penalties or other obligations resulting from their personal tax reporting of Individual Settlement Shares.

- 6. To Eligible Aggrieved Employees.** The Settlement Administrator shall pay each Eligible Aggrieved Employee the Eligible Aggrieved Employee's Individual PAGA Payment from the PAGA Payment, according to the terms of this Agreement, including as follows:

- a. Individual PAGA Payment Calculation.** The Individual PAGA Payment is calculated based on each Eligible Aggrieved Employee's pro-rata share of the PAGA Payment allocated to the Eligible Aggrieved Employees based on workweeks during the PAGA Period as follows: (i) the number of workweeks he or she worked as an hourly-paid, non-exempt worker, whether hired directly or employed by a staffing company, who performed work at Defendants' facilities within the State of California during the PAGA Period, divided by (ii) the total number of workweeks worked by all Eligible Aggrieved Employees for the Defendants collectively during the PAGA Period, which is then multiplied by the PAGA Payment allocated to the Eligible Aggrieved

Employees. The Settlement Administrator will use the Class Data to calculate the number of workweeks worked by each Eligible Aggrieved Employee based on their dates of employment with Defendants for purposes of this calculation.

- b. Tax Treatment for Individual PAGA Payments.** Each Eligible Aggrieved Employee's Individual PAGA Payments will be apportioned as one hundred percent (100%) penalties and shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms. Eligible Aggrieved Employees will be responsible for the payment of any taxes and penalties assessed on the Individual PAGA Payments and will be solely responsible for any penalties or other obligations resulting from their personal tax reporting of Individual PAGA Payments.

- 7. Effect of Opt-Outs.** Opt-Outs will receive no Individual Settlement Shares, and their Exclusion Form will reduce neither the Gross Settlement Amount nor the Net Settlement Amount. Their respective Individual Settlement Shares will remain a part of the Net Settlement Amount for distribution to Participating Class Members on a *pro rata* basis relative to their Settlement Shares.

- G. Appointment of Settlement Administrator.** The Settlement Administrator shall be responsible for the following: (a) preparing, printing, and mailing the Notice Packet to the Class Members; (b) translating the Notice Packet into Spanish; (c) keeping track of any objections or requests for exclusion from Class Members; (d) performing skip traces and remailing Notice Packets and Individual Settlement Shares to Class Members; (e) calculating any and all payroll tax deductions as required by law; (f) calculating each Class Member's Individual Settlement Share; (g) calculating Eligible Aggrieved Employees' Individual PAGA Payment; (h) providing weekly status reports to Counsel for Defendants and Class Counsel, which is to include prompt updates on any objections or requests for exclusion that have been received; providing a due diligence declaration for submission to the Court prior to the Final Approval hearing; (i) mailing Individual Settlement Shares to Participating Class Members; mailing Individual PAGA Payments to Eligible Aggrieved Employees; (j) mailing the portion of the PAGA Payment to the LWDA; (k) distributing the Attorney Fee Award and Cost Award to Class Counsel; (l) printing and providing Class Members, Eligible Aggrieved Employees and Plaintiff with W-2s and 1099 forms as required under this Agreement and applicable law; (m) providing a due diligence declaration for submission to the Superior Court upon the completion of the Settlement; (n) providing any funds remaining in the QSF as a result of uncashed checks to the *cy pres* recipient, including the administration of related tax reimbursements; and (o) performing such other tasks as the Parties mutually agree. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the

Settlement Administrator that could create a conflict of interest. The Parties agree to undertake good faith efforts to ensure that the Settlement Administrator indemnifies the Parties and counsel regarding any improper handling of Settlement Administrator's responsibilities, including the handling of any tax-related matters. The Parties will have equal access to the Settlement Administrator throughout the claims administration period.

H. CIRCULAR 230 DISCLAIMER. Each Party to this Agreement (for purposes of this section, the "Acknowledging Party" and each Party to this Agreement other than the Acknowledging Party, an "Other Party") acknowledges and agrees that:

- (1) No provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisors, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of U.S. Treasury Dept. Circular 230 (31 C.F.R. Part 10, as amended);
- (2) The Acknowledging Party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any Other Party or any attorney or advisor to any Other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any Other Party to avoid any tax penalty that may be imposed on the Acknowledging Party; and
- (3) No attorney or advisor to any Other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

I. Procedure for Approving Settlement.

1. Motion for Preliminary Approval and Conditional Certification.

- a. No later than fourteen (14) days after the execution of this agreement, Plaintiff will, in accordance with the terms and conditions of this Agreement, file a motion with the Court for an order conditionally certifying the Class for settlement purposes only, giving Preliminary Approval of the Settlement, setting a date for the Final Approval hearing, approving the Notice Packet and Exclusion Form, and seeking Court approval of the PAGA Action settlement.
- b. At the Preliminary Approval hearing, Plaintiff will, in accordance with the terms and conditions of this Agreement, appear, support

the granting of the motion, and submit a proposed order granting conditional certification of the Class and Preliminary Approval of the Settlement; appointing the Class Representative, Class Counsel, and Settlement Administrator; approving the Notice Packet; setting the Final Approval hearing; and approving the PAGA Action settlement.

- c. If the Court declines to conditionally certify the Class or to issue a Preliminary Approval of the Settlement consistent with the terms of this Agreement, or if the Court does not approve the PAGA Action settlement consistent with the terms of this Agreement, this Agreement will be null and void, and the Parties will have no further obligations under it, except if the Court declines to enter the Preliminary Approval due solely to the amount of requested Attorney Fee Award and Cost Award. This Agreement is not contingent upon approval by the Court of Class Counsel's application for the Attorney Fee Award or Cost Award, and if the Court approves all payments pursuant to this Agreement except for the application for the Attorney Fee Award or Cost Award, the Parties will remain bound by this Agreement and any Court-required reduction of the attorneys' fees and costs will be reallocated to Participating Class Members as part of the Net Settlement Amount.

2. Notice to Class Members. After the Court enters its Preliminary Approval Order, every Class Member will be provided with the Notice Packet in accordance with the following procedure:

- a. Within fifteen (15) business days after entry of the Preliminary Approval, Defendants shall deliver the Class Data to the Settlement Administrator.
- b. Upon receipt of the Class Data, the Settlement Administrator will use all commercially reasonable means to confirm Class Members' addresses and obtain new addresses, as necessary. The Settlement Administrator will perform a search based on the National Change of Address Database ("NCOA") to update and correct any known or identifiable address changes. The Settlement Administrator shall maintain the Class Data as private and confidential and take reasonable and necessary precautions to maintain the confidentiality of the Class Data. The Settlement Administrator shall not distribute or use the Class Data, or any information contained therein, for any purpose other than to administer this Settlement.
- c. Within fourteen (14) business days after Defendants' deadline to provide the Class Data to the Settlement Administrator, the

Settlement Administrator will mail the Notice Packet to all identified Class Members via first-class U.S. Mail.

- d. If a Notice Packet is returned because of an incorrect address, within ten (10) days from receipt of the returned Notice Packet, the Settlement Administrator will conduct a search for a more current address for the Class Member and re-mail the Notice Packet to the Class Member. The Settlement Administrator will use the NCOA and up to two (2) skip traces to attempt to find the current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Notice Packet is returned by U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address, and promptly re-mailing to Class Members for whom new addresses are found. If the Settlement Administrator is unable to locate a better address, the Notice Packet shall be re-mailed to the original address. If the Notice Packet is re-mailed, the Settlement Administrator will note for its own records the date and address of each re-mailing. Those Class Members who receive a re-mailed Notice Packet, whether by skip-trace or forwarded mail, will have an additional ten (10) days to postmark an Exclusion Form, or file and serve an objection to the Settlement. The Settlement Administrator shall mark on the envelope whether the Notice Packet is a re-mailed notice.
- e. Class Members may dispute the information provided in their Notice Packet but must do so in writing and it must be postmarked by the Response Deadline. To the extent Class Members dispute the number of weeks to which they have been credited or the amount of their Individual Settlement Share, Class Members must produce evidence to the Settlement Administrator showing that such information is inaccurate. The Settlement Administrator will jointly work with the Parties to resolve the dispute in good faith. Defendants' records will be presumed determinative, unless the Class Member produces payment stubs, wage statements or other documents which conflict with Defendants' records. If the Parties cannot agree over the workweeks to be credited, the Settlement Administrator shall make the final decision based on the information presented by the Class Member and Defendants.
- f. The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Counsel for Defendants of the number of Notice Packets mailed, the number

of Notice Packets returned as undeliverable, the number of Notice Packets remailed, and the number of Exclusion Forms received.

- g.** No later than fourteen (14) calendar days after the Response Deadline, the Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Agreement. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel no later than ten (10) calendar days before the Final Approval hearing. Before the Final Approval hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

3. Objections to Settlement.

- a. Notice Packet.** The Notice Packet will provide that the Class Members who wish to object to the Settlement may do so in writing, signed, dated, and mailed to the Settlement Administrator postmarked no later than the Response Deadline.
- b. Format.** Any written objections shall state: (1) the objecting person's full name, address, and telephone number; (2) the words "Notice of Objection" or "Formal Objection;" (3) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (4) list identifying witness(es) the objector may call to testify at the Final Approval hearing; and (5) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval hearing. The Parties may file written responses to any filed objections in the motion for Final Approval.
- c. Objector Appearances.** Participating Class Members may (though are not required to) appear at the Final Approval hearing, either in person or through the objector's own counsel. The failure to file and serve a written objection does not waive a Participating Class Member's right to appear at and make an oral objection at the Final Approval hearing.
- d. Fees.** Defendants shall not be responsible for the fees, costs, or expenses incurred by Plaintiff, Class Counsel or Participating Class Members arising from or related to any objection to the Settlement Agreement or related to any appeals thereof.

4. Request for Exclusion from the Settlement (“Opt-Out”).

- a. **Notice Packet.** The Notice Packet will provide that Class Members who wish to exclude themselves from the Class Action Settlement must mail to the Settlement Administrator an Exclusion Form. The written request for exclusion must: (1) include the Class Member’s name, address, and last four digits of the social security number; (2) be addressed to the Settlement Administrator; (3) be signed by the Class Member; and (4) be postmarked no later than the Response Deadline.
- b. **No Opt Out From PAGA.** Eligible Aggrieved Employees will not be able to exclude themselves from receiving their portion of the PAGA Payment.
- c. **Validity and Effect.** Any Class Member who returns a timely, valid, and executed Exclusion Form will not participate in or be bound by the Class Action settlement and Final Approval and will not receive an Individual Settlement Share. Notwithstanding the foregoing, to the extent the Class Member is also an Eligible Aggrieved Employee, the Class Member’s timely opt-out of the Class Action settlement will not affect the Class Member’s participation in the PAGA Action settlement and the Class Member will receive Class Member’s Individual PAGA Payment as set forth in this Agreement. A Class Member who does not complete and mail a timely Exclusion Form will be included in the Settlement, will receive an Individual Settlement Share, and be bound by all terms and conditions of the Settlement, if the Settlement is approved by the Court, and by the Final Approval, regardless of whether he or she has objected to the Settlement.
- d. **Report.** No later than seven (7) calendar days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Notice Packets mailed to Class Members, the number of Notice Packets returned as undeliverable, the number of Notice Packets remailed to Class Members, the number of remailed Notice Packets returned as undeliverable, the number of Class Members who objected to the Settlement and copies of their submitted objections, the number of Class Members who returned valid requests for exclusion, and the number of Class Members who returned invalid requests for exclusion. The Settlement Administrator shall continue to provide weekly reports, as outlined in section III.I.2.f of this Agreement.

- e. **Defendants' Option to Terminate.** If more than ten percent (10%) of the Class Members submit Exclusion Forms, Defendants, at its sole option and by written notice to Class Counsel, may terminate the Settlement, rendering this Agreement null and void. If that occurs, the Parties will have no further obligations under the Settlement, including any obligation by Defendants to pay the Gross Settlement Amount or any amounts that otherwise would have been owed under this Agreement, except that the Parties shall pay an equal portion for the Settlement Administrator's Administration Costs through the date this Agreement becomes null and void. Defendants must exercise this option by informing Class Counsel no later than five business days after the expiration of the Response Deadline. If Defendants exercise this option, Defendants shall be solely responsible for Settlement Administration costs incurred up to that date.

5. No Solicitation of Objection or Requests for Exclusion. Neither the Parties nor their respective counsel or agents will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, request exclusion from the Settlement, or appeal from the Final Approval.

6. Motion for Final Approval.

- a. Class Counsel will file unopposed motions and memoranda in support thereof for Final Approval of the Settlement and the following payments in accord with the terms of the Settlement: (1) the Attorney Fee Award; (2) the Cost Award; (3) Administration Costs; (4) the Class Representative Enhancement; (5) PAGA Payment, and (6) the Individual Settlement Shares from the Net Settlement Amount. Class Counsel will also move the Court for an order of Final Approval releasing and barring any Released Claims of the Participating Class Members and the PAGA Released Claims of the Eligible Aggrieved Employees.
- b. If the Court does not grant Final Approval of the Settlement or grants Final Approval conditioned on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Participating Class Members), then the Parties shall work together in good faith to address any concerns raised by the Court and propose a revised Settlement for the Court's approval. However, an award by the Court of a lesser amount than that sought by Plaintiff and Class Counsel for the PAGA Payment, Class Representative Enhancement, the Attorney Fee Award, or the Cost Award, will not constitute a material modification to the Settlement within the meaning of this paragraph. Notwithstanding

anything to the contrary, an award by the Court of a lesser amount than sought by Plaintiff and Class Counsel for the Class Representative Enhancement, the Attorney Fee Award, and/or the Cost Award, will not constitute a denial of Final Approval, a material modification to the Settlement, or a Final Approval inconsistent with the terms of this Agreement within the meaning of this paragraph.

- c. Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving the Settlement. After entry of Final Approval, the Court shall have continuing jurisdiction over the Class Action for purposes of: (1) enforcing this Settlement Agreement; (2) addressing settlement administration matters, and (3) addressing such post-Final Approval matters as may be appropriate under Court rules and applicable law.

- 7. **Waiver of Right to Appeal.** Provided that the Final Approval is consistent with the terms and conditions of this Agreement (except for any Final Approval inconsistent solely with Class Counsel's request for Attorney Fee Award and/or Cost Award), if Class Members do not timely object to the Settlement, then the Parties and their respective counsel waive any and all rights to appeal from the Final Approval, including, but not limited to, all rights to any post-Final Approval proceeding and appellate proceeding, such as a motion to vacate or set aside the Final Approval, and any extraordinary writ, and the Final Approval will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceeding, or post-Final Approval proceeding.
- 8. **Vacating, Reversing, or Modifying Final Approval on Appeal.** If, after a notice of appeal, the reviewing court vacates, reverses, or modifies the Final Approval such that there is a material modification to the Settlement, and that court's decision is not completely reversed and the Final Approval is not fully affirmed on review by a higher court, then this Settlement will become null and void and the Parties will have no further obligations under it. A material modification would include, but not necessarily be limited to, any alteration of the Gross Settlement Amount.
- 9. **Disbursement of Settlement Shares and Payments.** Subject to the Court finally approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Court's Final Approval. The maximum amount Defendants can be required to pay under this Settlement for any purpose is the Gross Settlement Amount. The Settlement Administrator shall keep Counsel for Defendants and Class Counsel apprised of all distributions from the Gross Settlement Amount.

The Settlement Administrator shall respond to questions from Counsel for Defendants and Class Counsel. No person shall have any claim against Defendants, Counsel for Defendants, Plaintiff, Class Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Agreement.

- a. **Funding the Settlement:** No later than fourteen (14) business days after the Effective Final Settlement Date, Defendants shall provide any tax information that the Settlement Administrator may need to calculate each Participating Class Members' Individual Settlement Shares. No later than twenty-one (21) business days after the Effective Final Settlement Date, Defendants shall deposit the Gross Settlement Amount of Three Hundred Thousand Dollars (\$300,000) needed to pay the entire GSA by wiring the funds to the Settlement Administrator as well as any additional sums necessary to account for the employers' share of payroll taxes.
- b. **Disbursement:** Within fourteen (14) calendar days after the deadline to fund of the Settlement as set forth at section III.I.9.a. of this Agreement, the Settlement Administrator shall calculate and disburse all payments due under the Settlement Agreement, including all Individual Settlement Shares, Individual PAGA Payments, the Attorney Fee Award, the Cost Award, the Class Representative Enhancement, the PAGA Payment, and the Administration Costs. The Settlement Administrator will forward a check for seventy-five percent (75%) of the PAGA Payment to the LWDA for settlement of the PAGA claim. As of the Effective Final Settlement Date, PAGA Released Parties shall have no liability for PAGA Released Claims by or on behalf of Eligible Aggrieved Employees or the LWDA, which are released under this Agreement, and Released Parties shall have no liability for the Released Claims by or on behalf of Plaintiff and/or Participating Class members, which are released under this Agreement.
- c. **QSF:** The Parties agree that the QSF is intended to be a "Qualified Settlement Fund" under Section 468B of the Code and Treasury Regulations section 1.4168B-1, 26 C.F.R. section 1.468B-1 *et seq.*, and will be administered by the Settlement Administrator as such. The Parties and Settlement Administrator shall treat the QSF as coming into existence as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. section 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

10. Uncashed Checks. Participating Class Members and Eligible Aggrieved Employees must cash or deposit their Individual Settlement Share and Individual PAGA Payment checks within one hundred eighty (180) calendar days after the checks are mailed to them. If any checks are not redeemed or deposited within ninety (90) calendar days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) calendar days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced. If any checks remain uncashed or not deposited by the expiration of the 90-day period after mailing the reminder notice, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, to the *cy pres* recipient Legal Aid At Work.

11. Final Report by Settlement Administrator. Within ten (10) calendar days after the disbursement of all funds, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds.

12. Defendants' Legal Fees. Defendants are responsible for paying for all of Defendants' own legal fees, costs, and expenses incurred in this Class Action outside of the Gross Settlement Fund.

J. Release of Claims. As of the Effective Final Settlement Date, except as to such rights or claims as may be created by this Agreement, in exchange for the consideration set forth in this Agreement, Plaintiff and the Participating Class Members, on their own behalf, and on behalf of their respective current, former and future heirs, spouses, executors, administrators, agents, and attorneys, release the Released Parties from the Released Claims for the Class Period. The Plaintiff and Participating Class Members shall be deemed to have, and, upon Defendants' fully funding of the Settlement and by operation of the Final Approval, shall have, fully, finally, and forever settled and released all of the Released Claims as defined in this Agreement. The Parties further acknowledge, understand and agree that this release is a material part of the consideration for this Agreement; was critical in justifying the agreed-upon economic value of this Settlement, and without it Defendants would not have agreed to the consideration provided; and is narrowly drafted and necessary to ensure that Defendants is obtaining peace of mind regarding the resolution of claims that were or could have been alleged based on the facts and legal theories contained in the Complaint.

1. Participating Class Members. Upon the Effective Final Settlement Date, each Settlement Participant shall release Defendant and the Released Parties, and each of them, from the Released Claims. Each Settlement Participant will be bound to the release of Released Claims as a result of the Settlement and to the terms of the final judgment and the satisfaction of such judgment. It is understood and agreed that this Agreement will not release any person,

party or entity from claims, if any, by Class Members for workers' compensation, unemployment, or disability benefits of any nature, nor does it release any claims, actions, or causes of action which may be possessed by Class Members under state or federal discrimination statutes, including, without limitation, the Fair Employment and Housing Act, the Government Code sections 12940, *et seq.*; the Unruh Civil Rights Act, the Civil Code sections 51, *et seq.*; the California Constitution; Title VII of the Civil Rights Act of 1964, 42 U.S.C. sections 2000, *et seq.*; the Americans with Disabilities Act, as amended, 42 U.S.C. sections 12101, *et seq.*; the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. sections 1001, *et seq.*; and all of their implementing regulations and interpretive guidelines, or any other law which cannot be lawfully released. Class Members who do not opt out will be deemed to have acknowledged and agreed that the Settlement payments constitute payment of all sums allegedly due to them.

2. **State of California.** Defendant shall receive a release from the State of California of all PAGA claims for civil penalties under Labor Code sections 2698, *et. seq.*, predicated on the violations of the applicable Labor Code sections and applicable Wage Orders as alleged in the LWDA Notices submitted by Plaintiff and the operative Complaint which occurred during the PAGA Period ("PAGA Released Claims"). The PAGA Released Claims may be released against all Released Parties. The PAGA Released Claims exclude any PAGA claims outside the PAGA Period. The release of the PAGA Released Claims shall be effective as to all Eligible Aggrieved Employees, regardless of whether an Eligible Aggrieved Employee submitted a request for an exclusion from the Class. The PAGA Released Claims do not include other PAGA claims, underlying wage-and-hour claims, claims for wrongful termination, discrimination, unemployment insurance, disability and worker's compensation, and claims outside of the PAGA Period.
3. **Plaintiff's Release of Claims and General Release.** Upon the Effective Final Settlement Date, Plaintiff shall forever release, discharge and agree to hold harmless the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including attorney fees and costs), known or unknown, at law or in equity, which he had or may now have against Defendant arising out of or in any way connected with his employment with Defendant ("Plaintiff's Released Claims"), including, the Released Claims, claims that were asserted or could have been asserted in the Complaint, and any and all transactions, occurrences, or matters between the Parties. Without limiting the generality of the foregoing, this release shall include, but not be limited to, any and all claims under the (a) Americans With Disabilities Act, as amended; (b) Title VII of the Civil Rights Act of 1964, as amended; (c) the

Civil Rights Act of 1991; (d) 42 U.S.C. § 1981, as amended; (e) the Age Discrimination in Employment Act, as amended; (f) the Fair Labor Standards Act, as amended; (g) the Equal Pay Act; (h) the Employee Retirement Income Security Act, as amended; (i) the Consolidated Omnibus Budget Reconciliation Act; (j) the Rehabilitation Act of 1973; (k) the Family and Medical Leave Act; (l) the Civil Rights Act of 1966; (m) the California Fair Employment and Housing Act; (n) the California Constitution; (o) the California Labor Code; (p) the California Government Code; (q) the California Civil Code; and (r) any and all other federal, state and local statutes, ordinances, regulations, rules and other laws, and any and all claims based on constitutional, statutory, common law or regulatory grounds as well as any other claims based on theories of wrongful or constructive discharge, breach of contract or implied contract, fraud, misrepresentation, promissory estoppel or intentional and/or negligent infliction of emotional distress, or damages under any other federal, state or local statutes, ordinances, regulations, rules or laws. This release is for any and all relief, no matter how denominated, including, but not limited to, back pay, front pay, vacation pay, bonuses, compensatory damages, tortious damages, liquidated damages, punitive damages, damages for pain and suffering, and attorney fees and costs, and Plaintiff forever release, discharge and agree to hold harmless Defendants and the Released Parties from any and all claims for attorney fees and costs arising out of the matters released in this Agreement.

4. Plaintiff's Waiver of Rights Under California Civil Code Section 1542. As partial consideration for the Class Representative Enhancement, Plaintiff's Released Claims shall include all such claims, whether known or unknown by the releasing party. Therefore, with respect to Plaintiff's Released Claims, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits of section 1542 of the California Civil Code, which reads:
5. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her, would have materially affected his or her settlement with the debtor or released party.
6. Plaintiff, being aware of Section 1542, shall expressly waive and relinquish all rights and benefits he may have under Section 1542 as well as any other statutes or common law principles of a similar effect. Plaintiff may hereafter discover facts in addition to or different from those which he now knows or believes to be true with respect to the subject matter of all the claims referenced herein, but stipulates and agree that, upon the Effective Final Settlement Date, Plaintiff shall fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, contingent or non-contingent, that were asserted

or could have been asserted upon any theory of law or equity without regard to the subsequent discovery of existence of such different or additional facts.

K. PAGA Release. As of the Effective Final Settlement Date, all Eligible Aggrieved Employees and the State of California, including the LWDA, on their own behalf, and on behalf of their respective current, former and future heirs, spouses, executors, administrators, agents, and attorneys, fully, finally, and forever be barred from seeking any claims for penalties pursuant to PAGA for the PAGA Released Claims during the PAGA Period against PAGA Released Parties. The *res judicata* effect of the Final Approval will be the same as that of the PAGA Release.

L. Miscellaneous Terms

- 1. No Admission of Liability.** Defendants make no admission of liability or wrongdoing by virtue of entering into this Agreement. Defendants reserves the right to contest any issues relating to class certification and liability if the Settlement is not approved. Defendants deny that it has engaged in any unlawful activity, has failed to comply with the law in any respect, has any liability to anyone under the claims asserted in the Class and PAGA Actions, or that but for the Settlement, a Class should be certified in the Class Action or that the PAGA Action could proceed on a representative basis. This Agreement is entered solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendants of liability or wrongdoing. This Settlement and Plaintiff's and Defendants' willingness to settle the Class and PAGA Actions will have no bearing on, and will not be admissible in connection with, any litigation, administrative proceeding, or other special proceeding (other than solely in connection with this Settlement).
- 2. No Effect on Employee Benefits.** The Class Representative Enhancement Payments, Individual Settlement Shares and/or Individual PAGA Payments paid to Plaintiff, Participating Class Members and/or the Eligible Aggrieved Employees shall not be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (*e.g.*, vacation, holiday pay, retirement plans, etc.) of Plaintiff, Participating Class Members or Eligible Aggrieved Employees. The Parties agree that any Class Representative Enhancement, Individual Settlement Shares and/or Individual PAGA Payments paid to Plaintiff, Participating Class Members and/or the Eligible Aggrieved Employees under the terms of this Agreement do not represent any modification of Plaintiff's, Participating Class Members' or Eligible Aggrieved Employees' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendants.

3. **Publicity.** Class Counsel and Plaintiff agree to publicly discuss the terms of this Settlement only in declarations submitted to a court to establish Class Counsel's adequacy to serve as class counsel for purposes of this Settlement Agreement, in declarations submitted to a court in support of motions for Preliminary Approval, Final Approval, for attorneys' fees/costs, and any other pleading filed with the Court in conjunction with the Settlement, and in discussions with Class Members in the context of administering this Settlement until the Preliminary Approval Order is issued. Class Counsel and Plaintiff agree to decline to respond to any media inquiries concerning the Settlement.
4. **Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.
5. **Authorization to Enter Into Settlement Agreement.** Class Counsel and Counsel for Defendants warrant and represent that they are authorized by Plaintiff and Defendants to take all appropriate action required or permitted to be taken by such Parties under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. In the event the Parties are unable to reach an agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Agreement.
6. **Exhibits and Headings.** The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.
7. **Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Class and PAGA Actions in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval hearing to be conducted by the Court.

- 8. Amendment or Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties or their successors-in-interest.
- 9. Agreement Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.
- 10. No Prior Assignment.** Plaintiff hereby represents, covenants, and warrants that she has not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.
- 11. Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.
- 12. Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Class Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.
- 13. No Tax or Legal Advice.** The Parties understand and agree the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Plaintiff, Class Counsel, Eligible Aggrieved Employees and Participating Class Members will assume any such tax obligations or consequences that may arise from any disbursements made under this Agreement, and that Plaintiff, Class Counsel, Eligible Aggrieved Employees and Participating Class Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any recipient of a disbursement under this agreement, such recipient assumes all responsibility for the payment of such taxes.
- 14. Jurisdiction of the Superior Court.** The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Superior Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders in connection therewith.

15. Invalidity of Any Provision; Severability. Before declaring any provision of this Agreement invalid, the Parties request that the Court 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. In the event any provision of this Agreement other than Plaintiff's, Class Members', and the LWDA's release of claims, as set forth herein, is found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

16. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

17. Execution in Counterpart. This Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

IV. VOLUNTARY NATURE OF AGREEMENT

The Parties understand and agree that they executed this Agreement voluntarily and without any duress or undue influence on the part or behalf of one another or any third party, with the full intent of releasing all of claims released herein. The Parties acknowledge that:

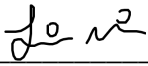
- (a) They have read this Agreement;
- (b) They have been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice;
- (c) They understand the terms and consequences of this Agreement and of the releases it contains;
- (d) They are fully aware of the legal and binding effect of this Agreement; and
- (e) They have not relied upon any representations or statements made by one another that are not specifically set forth in this Agreement.

V. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

Dated: 05/11/2022, 2022

LUIS MIRANDA



Dated: _____, 2022

**NEW PRIDE TIRE, INC., FLEXI-VAN
LEASING, LLC, AND NPT VENTURES, LLC**

[INSERT NAME]

[INSERT TITLE]

Dated: May 11, 2022

JUSTICE LAW CORPORATION



Douglas Han, Esq.

Attorneys for Plaintiff Luis Miranda, on behalf of
themselves and all others similarly situated

Dated: _____, 2022

McDERMOTT WILL & EMERY LLP

Ellen Bronchetti, Esq.

Saniya Ahmed, Esq.

Attorneys for New Pride Tire, Inc., Flexi-Van
Leasing, LLC, and NPT Ventures, LLC

EXHIBIT A

CALIFORNIA SUPERIOR COURT, COUNTY OF ALAMEDA

Luis Miranda v. New Pride Tire, Inc., et al.

Case Nos. RG20063513 (Lead) and RG20063371

NOTICE OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT

A court authorized this notice. This is not a solicitation.

This is not a lawsuit against you, and you are not being sued.

However, your legal rights are affected by whether you act or don't act.

The California Superior Court, County of Alameda, has granted preliminary approval of a proposed settlement ("Settlement") of the above-captioned class and representative action (referred to in this Notice as the "Action"). Because your rights may be affected by this Settlement, it is important that you read this Notice of Class and Representative Action Settlement ("Notice") carefully.

The Court has certified the following class for settlement purposes ("Class" or "Class Members"):

All current or former hourly-paid, non-exempt workers, whether direct hires of Defendants or supplied through a staffing company and who are or were assigned to New Pride Tire, Inc.'s and related entities' Rancho Dominguez location located at 2757 East Del Amo Blvd., Rancho Dominguez, California 90221 and/or Oakland location located at 8977 Railroad Ave., Oakland, California 94621, from August 18, 2018, to [INSERT DATE OF PRELIMINARY APPROVAL] or August 31, 2022, whichever date is earlier.

The purpose of this Notice is to provide a brief description of the claims alleged in the Action, the key terms of its Settlement, and your rights and options with respect to the Settlement.

Defendants have agreed to pay an "all in" amount of Three Hundred Thousand Dollars (\$300,000.00) (the "Gross Settlement Amount") to fund the settlement of this Action. The Gross Settlement Amount includes all payments, including: (1) the Individual Settlement Shares to all Class Members who did not submit a valid and timely request to exclude themselves from the Class Action Settlement and who will have released the Released Claims ("Participating Class Members"); (2) the Class Representative Enhancement Payment to Plaintiff up to \$10,000; (3) the Administration Costs to the Settlement Administrator currently estimated at \$7,350 but not to exceed \$9,000; (4) the Attorney Fee Award for the payment of attorneys' fees of up to \$100,000.00 and Cost Award of up to \$15,000 supported by declaration; (5) a Private Attorneys General Act of 2004 ("PAGA") Payment for the settlement of PAGA claims of \$20,000, with seventy-five percent (75%) of that portion (\$15,000) to be paid to the Labor Workforce and Development Agency ("LWDA"), and the remaining twenty-five percent (25%) of that portion (\$5,000) will be distributed to Eligible Aggrieved Employees as Individual PAGA Payments. The remaining sum, estimated at \$[REDACTED] is the "Net Settlement Amount", which shall be distributed to all Participating Class Members.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

WHAT INFORMATION IS IN THIS NOTICE

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1. Why Have I Received This Notice?

A proposed class action settlement (the “Settlement”) of the above-captioned lawsuits pending in the Superior Court of California, County of Alameda (the “Court”) has been reached between Plaintiff Luis Miranda (“Plaintiff”) and New Pride Tire, Inc., Flexi-Van Leasing, LLC, and NPT Ventures, LLC (“Defendants”). The Court has granted preliminary approval of the Settlement and ordered this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The personnel and business records of Defendants indicate that you may be a Class Member for the purposes of the Class Action Settlement, as described below. The Class Action Settlement will resolve all Class Members’ Released Claims, as described below, from August 18, 2018, to [INSERT DATE OF PRELIMINARY APPROVAL] or August 31, 2022, whichever date is earlier.

A Preliminary Approval Hearing was held on [the date of Preliminary Approval], in the California Superior Court, County of Alameda. The Court conditionally certified the Class for settlement purposes only and directed that you receive this Notice to advise you of the Class Action Settlement’s impact on your rights and outline options you may take.

The Court has determined that there is sufficient evidence to suggest that the proposed Class Action Settlement may be fair, adequate, and reasonable and that any final determination of those issues will be made at the Final Approval Hearing.

The Court will hold a Final Approval Hearing concerning the proposed settlement on [the date of final approval hearing], 2022 at [time a.m./p.m.], before the Honorable Stephen Kaus, at the Superior Court for the County of Alameda, County Administrative Building, that is located at 1221 Oak Street, Oakland, California 94612, Department 19.

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2. *What Is This Case About?*

On May 11, 2020, Plaintiff Luis Miranda commenced two lawsuits in the Superior Court of California, County of Alameda, against Defendants. The Class Action Complaint is captioned *Luis Miranda, individually, and on behalf of other members of the general public similarly situated v. New Pride Tire, Inc.*, Case No. RG20063513, and was amended on April 16, 2021 to add two additional defendants, Flexi-Van Leasing, LLC and NPT Ventures, LLC. The related PAGA Complaint, also filed on May 11, 2020, is captioned *Luis Miranda, individually, and on behalf of aggrieved employees, v. New Pride Tire, Inc.*, Case No. RG2003371, and was amended on April 19, 2021 to add to additional defendants, Flexi-Van Leasing, LLC and NPT Ventures, LLC.

Plaintiff alleges two general types of claims against Defendants. First, Plaintiff alleges class action claims, on behalf of himself and Class Members, against Defendants for alleged violations of California wage-and-hour requirements, including (1) violation of Labor Code sections 510 and 1198 (Unpaid Overtime); (b) violation of Labor Code sections 226.7 and 512 (Unpaid Meal Period Premiums); (c) violation of Labor Code section 226.7 (unpaid Rest Period Premiums); (d) violation of Labor Code sections 1194 and 1197 (Unpaid Minimum Wages); (e) violation of Labor Code sections 201, 202 and 203 (Final Wages Not Timely Paid); (f) violation of Labor Code section 226(a) (Non-Compliant Wage Statements); (g) violation of Labor Code sections 2800 and 2802 (Unreimbursed Business Expenses); and (h) violations of Business & Professions Code sections 17200, *et seq.* Plaintiff's class action claims sought damages, restitution, statutory penalties, interest, costs, attorney's fees and other relief. The portion of the Settlement settling the class action claims – the Class Members' Released Claims, as described below, during the Class Period – is referred to herein as the "Class Action Settlement."

Second, Plaintiff also alleges a representative action for civil penalties under PAGA. The portion of the Settlement settling the PAGA claims is referred to herein as the "PAGA Settlement." Plaintiff's representative PAGA action sought civil penalties from the same or similar factual theories arising out of the Labor Code violations asserted in Plaintiff's wage-and-hour class action lawsuit.

Defendants deny and dispute all of Plaintiffs' claims and by resolving these cases, specifically deny any liability. Specifically, Defendants contend that Plaintiff and the Class Members were properly compensated for wages under California law; that Defendants did not fail to pay to Plaintiff or any Class Members any required expense reimbursements; that Defendants complied with California wage statement requirements; that Defendants are not liable for any of the penalties claimed or that could be claimed in the Action; and that this Action cannot be maintained as a class or representative action at trial. Further, Defendants deny that it employs workers who were not direct hires of Defendants.

This Notice concerns your rights and options with respect to the Class Action Settlement.

The Court has not decided whether Defendants or Plaintiffs are correct. Plaintiff would have still had to prove his claims at a trial on a class-wide basis. However, to avoid additional expense, inconvenience, and risks of continued litigation, the parties have concluded that it is in their respective best interests and the interests of the Class Members to settle the Action on the terms summarized in this Notice. The Settlement was reached after arms-length non-collusive negotiations between the parties. In these negotiations, both sides recognized the substantial risk of the Court deciding against them at trial and determined that the Settlement was a fair, reasonable and adequate way to resolve the disputed claims.

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3. Am I A Class Member?

You are a Class Member if you are currently or were formerly employed by Defendants (as defined herein) or if you are current or former hourly-paid, non-exempt worker, whether a direct hire of Defendants or supplied through a staffing company and who is or was assigned to New Pride Tire, Inc.'s and related entities' Rancho Dominguez location located at 2757 East Del Amo Blvd., Rancho Dominguez, California 90221 and/or Oakland location located at 8977 Railroad Ave., Oakland, California 94621, from August 18, 2018, to the [INSERT DATE OF PRELIMINARY APPROVAL] or August 31, 2022, whichever date is earlier (the "Class," "Class Members," and "Class Period"). If you qualify as a Class Member, you could receive money from the Class Action Settlement.

You qualify as an Eligible Aggrieved Employee for the purposes of the PAGA Settlement, if you are a current or former hourly-paid, non-exempt worker, whether a direct hire of Defendants or supplied through a staffing company and who is or was assigned to New Pride Tire, Inc.'s and related entities' Rancho Dominguez location located at 2757 East Del Amo Blvd., Rancho Dominguez, California 90221 and/or Oakland location located at 8977 Railroad Ave., Oakland, California 94621, from February 7, 2019, to the [INSERT DATE OF PRELIMINARY APPROVAL] or August 31, 2022, whichever date is earlier (the "Eligible Aggrieved Employees" and "PAGA Period"), you will receive money from the PAGA Settlement.

4. How Does This Class Action Settlement Work?

In his Action, Plaintiff sued on behalf of himself and all other similarly situated employees who were employed by Defendants or through a staffing company as hourly-paid or non-exempt employees in California at any time during the Class Period. Plaintiff and other current and former employees comprise a "Class" and are "Class Members," as defined above. The Class Action Settlement of this Action resolves the Released Claims of all Class Members, except for those who exclude themselves from the Class by requesting to be excluded in the manner set forth below.

Plaintiff and Class Counsel believe the Class Action Settlement is fair and reasonable. The Court must also review the terms of the Class Action Settlement and determine if it is fair and reasonable to the Class. The Court file has the Settlement documents, which explain the Settlement in greater detail. If you would like copies of the Settlement documents, you can contact Class Counsel, whose contact information is below, and they will provide you with a copy free of charge.

5. Who Are the Attorneys Representing the Parties?

Attorneys for Plaintiff and the Class	Attorneys for Defendants
JUSTICE LAW CORPORATION Douglas Han Shunt Tatavos-Gharajeh Phillip Song 751 N. Fair Oaks Avenue, Suite 101 Pasadena, California 91103 Telephone: (818) 230-7502 Facsimile: (818) 230-7259	McDERMOTT WILL & EMERY, LLP Ellen M. Bronchetti Saniya Ahmed 415 Mission Street, Suite 5600 San Francisco, CA 94105-2533 Telephone: (628) 218-3808 Facsimile: (628) 877-0107

The Court has decided that Justice Law Corporation is qualified to represent the Class Members simultaneously for the purposes of this Settlement. Class Counsel is working on your behalf. If you want your own attorney, you may hire one at your own cost.

6. What Are My Options?

The purpose of this Notice is to inform you of the proposed Class Action Settlement and your options. Each option has its consequences, which you should understand before making your decision. Your rights regarding each option, and the steps you must take to select each option, are summarized below and explained in more detail in this Notice.

Important Note: Defendants will not retaliate against you in any way for either participating or not participating in this Settlement.

- **DO NOTHING:** **You do not have to do anything in order to receive payment under this Class Action Settlement.**

If you do nothing and the Court grants final approval of the Class Action Settlement, you will become part of the Class Action Settlement and will receive an Individual Settlement Share (explained below) based on the total number of workweeks you were directly employed by Defendants as an hourly-paid or non-exempt employee in California during the Class Period. You will release all of the Released Claims, as defined in Section No. 9 below, and you will give up your right to pursue the Released Claims, as defined in Section No. 9 below.

- **OPT-OUT:** If you do not want to participate as a Class Member **and do not want to receive a Class Action Settlement payment**, you may “opt-out,” and you will not be part of this Class Action Settlement. If the Court grants final approval of the Class Action Settlement, you will not receive an Individual Settlement Share payment, and you will not give up the right to sue the Released Parties, including Defendants, for any Released Claims as defined in Section No. 9 below. Please note, if you are eligible to receive an Individual PAGA Payment (explained below) and you do “opt-out” of the Class Action Settlement you will still receive an Individual PAGA Payment. Your right to pursue a claim pursuant to PAGA will be extinguished regardless of whether you opt-out.

- **OBJECT:** You can ask the Court to deny approval of this Class Action Settlement by filing an objection or by appearing at the final approval hearing and verbally lodging your objection. You cannot ask the Court to order a larger settlement; the Court can only approve or deny the settlement. You cannot both object to the Class Action Settlement and opt out of the case.

The procedures for opting out and objecting are set forth below in the sections entitled “How Do I Opt-Out or Exclude Myself From This Settlement” and “How Do I Object To The Settlement?”

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7. How Do I Opt-Out or Exclude Myself From This Settlement?

If you do not wish to participate in the Class Action Settlement, **and do not want to receive an Individual Settlement Share payment**, you can exclude yourself from the Class Action Settlement (*i.e.*, “opt-out”) by sending an opt-out form by the date and to the address stated below. A form ELECTION NOT TO PARTICIPATE IN CLASS ACTION SETTLEMENT (“OPT-OUT FORM”) has been provided to you along with this Notice, which can be used for this purpose; alternatively, you can submit your own written document that includes all of the same information. If you opt-out of the Class Action Settlement, you will not be bound by the Class Action Settlement, and therefore you will not release the claims set forth in Section No. 9. The Exclusion Form must be complete, signed, dated, and mailed by First-Class U.S. Mail, **postmarked no later than _____, 2022 to: Luis Miranda v. New Pride Tire C/O SIMPLURIS, INC., [INSERT ADDRESS]**.

If you received a re-mailed Class Notice, whether by skip-trace or forwarded mail, you will have an additional ten (10) days to postmark an Exclusion Form until _____, 2022. The envelope that you received with this Class Notice should indicate whether the Class Notice has been forwarded or re-mailed. We encourage you to keep copies of all documents, including the envelope, in the event your compliance with the deadline is challenged.

The Court will exclude from the Class Action Settlement any Class Member who submits a complete and timely Exclusion Form as described in the paragraph above. Exclusion Forms that do not include all required information and/or that are not timely submitted will be deemed null, void, and ineffective. Any Class Member who fails to submit a valid and timely Exclusion Form on or before the above-specified deadline shall be bound by all terms of the Class Action Settlement, release, and any Judgment entered in the Action if the Class Action Settlement receives final approval from the Court.

8. How Do I Object To The Settlement?

If you are a Class Member who does not opt-out of the Class Action Settlement, you may object to the Class Action Settlement, personally or through an attorney.

You may mail a written objection to the Settlement Administrator at [address] by [the Response Deadline]. If you received a re-mailed Class Notice, whether by skip-trace or forwarded mail, you will have an additional ten (10) days to postmark a written objection until _____, 2022. If you choose to object in writing, your objection must state: (a) the objecting person’s full name, address, and telephone number; (b) the words “Notice of Objection” or “Formal Objection;” (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) the objector may call to testify at the Final Approval hearing; and (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval hearing.

Class Members may appear at the Final Approval Hearing, either in person or through the objector’s own counsel even if they did not submit a written objection. Class Members’ timely and valid objections to the Class Action Settlement will be considered even if the objector does not appear at the Final Approval Hearing.

If the Court approves the settlement over objections, objecting Class Members will receive an Individual Settlement Share payment and will be bound by the terms of the Settlement.

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Due to the COVID-19 pandemic, the Court may not be open to the public for the Final Approval Hearing. If you wish to appear remotely to object, you should contact the Clerk of the Court two days in advance of the hearing for instruction on how to log into the Court's videoconferencing system. The Court's clerk may be reached by phone at (510) 267-6935 or Email: Dept19@alameda.courts.ca.gov

9. How Does This Settlement Affect My Rights?

If the proposed Class Action Settlement is approved by the Court, a Final Judgment will be entered by the Court. All Class Members who do not opt-out of the Class Action Settlement will be bound by the Court's Final Judgment and will fully release and discharge Defendants and their past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents, and attorneys ("Released Parties"). The Released Claims are as follows:

A. Released Claims.

The released claims means all causes of action and factual or legal theories that were alleged in the Complaints or reasonably could have been alleged in the Complaints on Plaintiff's or any Class Member's behalf based on the facts and legal theories contained in the Complaints, including, but not limited to, all of the following causes of action: (1) Violation of Labor Code sections 510 and 1198 (Unpaid Overtime); (2) Violation of Labor Code sections 226.7 and 512 (Unpaid Meal Period Premiums); (3) Violation of Labor Code section 226.7 (Unpaid Rest Period Premiums); (4) Violation of Labor Code sections 1194 and 1197 (Unpaid Minimum Wages); (5) Violation of Labor Code sections 201, 202 and 203 (Final Wages Not Timely Paid); (6) Violation of Labor Code section 226(a) (Non-Compliant Wage Statements); (7) Violation of Labor Code sections 2800 and 2802 (Unreimbursed Business Expenses); (8) Violations of Business & Professions Code sections 17200, et seq.; (9) Civil Penalties for Violation of Labor Code §§ 2698, et seq.; (10) any other claims or penalties under the wage and hour laws pleaded or that reasonably could have been alleged in the Complaints and Class Action; and (11) all damages, penalties, interest and other amounts recoverable under said causes of action under California law and federal law, to the extent permissible, including but not limited to the Labor Code as to the facts alleged in the Class Action, the applicable Wage Orders as to the facts alleged in the Complaints, and the California Unfair Competition Law (collectively, the "Released Claims"). The res judicata effect of the Final Approval will be the same as that of the Release.

Furthermore, the PAGA Released Claims mean any and all allegations, causes of action, liabilities, demands, obligations, and claims against PAGA Released Parties for penalties pursuant to PAGA based on any and all underlying Labor Code violations that were or reasonably could have been alleged in the Complaints and the PAGA Notice that arose during the PAGA Period, which includes, but is not necessarily limited to, alleged violations of Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226, 226.3, 226.7, 510, 512, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 (collectively, the "PAGA Released Claims").

10. How Much Can I Expect to Receive From This Settlement?

Defendants will pay, subject to Court approval, a Gross Settlement Amount of \$300,000 to cover: (1) Individual Settlement Shares to all Class Members participating in the Class Action Settlement ("Participating Class Members"); (2) Class Representative Enhancement Payment to Plaintiff up to \$10,000; (3) Administration Costs to the Settlement Administrator currently estimated at \$7,350 but not to exceed \$9,000; (4) Attorney Fee Award for the payment of attorneys' fees of up to \$100,000 and Cost Award of up to \$15,000 supported by declaration;

(5) PAGA Payment for the settlement of PAGA claims for \$20,000, with seventy-five percent (75%) of that portion (\$15,000) to be paid to the LWDA, and the remaining twenty-five percent (25%) of that portion (\$5,000) will be distributed to Eligible Aggrieved Employees as Individual PAGA Payments.

After deducting the Class Representative Enhancement Payment, Administration Costs, Attorney Fee Award, Cost Award, and PAGA Payment, the remaining sum, estimated at \$ [REDACTED] is the “Net Settlement Amount”, which shall be distributed to all Participating Class Members, subject to applicable withholdings pursuant to the terms of the approved Class Action Settlement. The Settlement Administrator will calculate the Individual Settlement Shares for Participating Class Members. The Individual Settlement Share is calculated based on each Participating Class Member’s pro-rata share of the Net Settlement Amount based on workweeks during the Class Period as follows: (1) the number of weeks he or she worked as an hourly-paid, non-exempt worker, whether hired directly or employed by a staffing company, who performed work at New Pride Tire, Inc.’s and related entities’ Rancho Dominguez location located at 2757 East Del Amo Blvd., Rancho Dominguez, California 90221 and/or Oakland location located at 8977 Railroad Ave., Oakland, California 94621 during the Class Period, divided by (2) the total number of weeks worked by all Participating Class Members collectively during the Class Period, which is then multiplied by the Net Settlement Amount.

Although your exact share of the Net Settlement Amount cannot be precisely calculated until after the time during which individuals may object or seek exclusion from the Class Action Settlement concludes, based upon the calculation above, your approximate Individual Settlement Share is as follows: \$ [REDACTED], less applicable withholdings. This is based on Defendants’ records, which show you worked [REDACTED] workweeks during the Class Period.

If you believe the number of eligible workweeks records are incorrect, you may provide documentation and/or an explanation to show contrary information to the Settlement Administrator at [address] on or before [the Response Deadline]. Any evidence submitted will be carefully weighed, and the Class Counsel and Counsel for Defendants, together with the Settlement Administrator will make a final determination.

Twenty percent (20%) of your Individual Settlement Share payment will be treated as unpaid wages. Applicable taxes will be withheld from the wages portion of your Individual Settlement Share payment only and reported on an IRS Form W-2. The remaining eighty percent (80%) of your Individual Settlement Payment will be treated as penalties, interest, and reimbursement and will be paid pursuant to an IRS Form 1099.

No later than twenty-one (21) business days after the Effective Final Settlement Date, Defendants shall deposit the Gross Settlement Amount of \$300,000 needed to pay the entire Gross Settlement by wiring the funds to the Settlement Administrator as well as any additional sums necessary to account for the employers’ share of payroll taxes. Your Individual Settlement Share payment will be distributed within approximately fourteen (14) calendar days of the funding of the entire Gross Settlement Amount. Defendants shall also pay employers’ share of payroll taxes separate and in addition to the Gross Settlement Amount.

It is strongly recommended that upon receipt of your Individual Settlement Share check, you immediately cash it or cash it before the 180-day void date shown on each check. If any checks remain uncashed or not deposited by the expiration of the 180-day period after mailing, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, pay the uncashed amount to the Legal Aid At Work.

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11. What is the PAGA Payment and Am I Eligible for it?

As noted above, this lawsuit concerns a PAGA claim and class action claims. The foregoing information concerning your participation in the Class Action Settlement and potentially receiving the Individual Settlement Share concern the settlement of the class action claims, not the PAGA claim in the lawsuit.

As for the PAGA portion of the lawsuit, under the terms of the Settlement, \$20,000 of the Gross Settlement Amount has been set aside as the PAGA Payment. This portion is the total amount of civil penalties collected on behalf of the State of California. \$15,000 will be sent to the State of California. Eligible Aggrieved Employees covered by the PAGA Settlement will share \$5,000 based on the number of workweeks they worked during the PAGA Period.

You are an “Eligible Aggrieved Employee” who will share the PAGA Payment under the PAGA Settlement if you are a current or former hourly-paid, non-exempt worker, whether a direct hire of Defendants or supplied through a staffing company and who is or was assigned to New Pride Tire, Inc.’s and related entities’ Rancho Dominguez location located at 2757 East Del Amo Blvd., Rancho Dominguez, California 90221 and/or Oakland location located at 8977 Railroad Ave., Oakland, California 94621, from February 7, 2019, to the [INSERT DATE OF PRELIMINARY APPROVAL] or August 31, 2022, whichever date is earlier.

The Individual PAGA Payment is calculated by the Settlement Administrator based on each Eligible Aggrieved Employee’s pro-rata share of the PAGA Payment allocated to the Eligible Aggrieved Employees based on workweeks during the PAGA Period as follows: (1) the number of workweeks he or she worked as an hourly-paid, non-exempt worker, whether hired directly or employed by a staffing company, who performed work at Defendants’ facilities within the State of California during the PAGA Period, divided by (2) the total number of workweeks worked by all Eligible Aggrieved Employees for the Defendants collectively during the PAGA Period, which is then multiplied by the PAGA Payment allocated to the Eligible Aggrieved Employees.

Each Eligible Aggrieved Employee’s Individual PAGA Payments will be apportioned as one hundred percent (100%) penalties and shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees’ wages and shall be reported by IRS 1099 forms.

Because these penalties can only be sought by the State of California, you cannot exclude yourself from the PAGA Settlement if the Court gives final approval. Even if you exclude yourself from the Class Action Settlement, you will still be paid your portion of the civil penalties described above if you are an Eligible Aggrieved Employee under the PAGA Settlement.

If you are not an Eligible Aggrieved Employee, this Section does not apply to you.

12. How Will the Attorneys for the Class and the Class Representative Be Paid?

Class Counsel will be paid from the Gross Settlement Amount. Subject to Court approval, Class Counsel shall be paid an amount not to exceed one-third (1/3) of the Gross Settlement Amount (or \$100,000) for the Attorney Fee Award, and up to \$15,000 for the Cost Award.

Defendants have paid all their own attorneys’ fees and costs.

As set forth in Section No. 10 above, the Plaintiff will also be paid a Class Representative Enhancement Payment, subject to Court approval.

13. *How Do I Get More Information?*

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS OR WOULD LIKE ELECTRONIC COPIES OF DOCUMENTS RELATING TO THE ACTION OR THE SETTLEMENT, you may contact Class Counsel listed above, or the Settlement Administrator at the telephone number listed below, toll-free. Please refer to the “New Pride Tire class action settlement.”

This Notice does not contain all the terms of the proposed Settlement or all the details of these proceedings. For more detailed information, you may refer to the underlying documents and papers on file with the Court at County Administrative Building, located at 1221 Oak Street, Oakland, California 94612, between 8:30 a.m. and 4:00 p.m.

The pleadings and other records in this litigation may be examined online on the Alameda County Superior Court’s website at <https://eportal.alameda.courts.ca.gov/?q=node/388>. After arriving at the website, click the “CASE NUMBER SEARCH” link, create an account, then enter RG20063513 as the case number and click “SEARCH.” Images of every document filed in the case may be viewed through the “DOWNLOAD DOCUMENT” button at the top right of the page at a minimal charge. You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings.

Finally, the Settlement Administrator will maintain a static website that has links to this Notice along with the most important documents of this matter. Also, any changes to the final approval hearing date will be also available on the Settlement Administrator’s website. The Settlement Administrator’s website is [INSERT WEBSITE ADDRESS].

PLEASE DO NOT TELEPHONE THE COURT OR COURT’S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.

EXHIBIT B

ELECTION NOT TO PARTICIPATE IN CLASS ACTION SETTLEMENT (“OPT-OUT FORM”)

Superior Court of the State of California, County of Alameda

Luis Miranda v. New Pride Tire, Inc., et al.

Case Nos. RG20063513 (Lead) and RG20063371

ONLY SIGN AND MAIL THIS DOCUMENT IF YOU WISH TO EXCLUDE YOURSELF FROM THE CLASS ACTION SETTLEMENT. IF YOU EXCLUDE YOURSELF, YOU WILL NOT RECEIVE A PAYMENT FROM THE CLASS ACTION SETTLEMENT.

This document must be postmarked no later than _____, 2022 and sent via U.S. Mail to:

New Pride Tire Settlement Administrator, C/O SIMPLURIS, INC.

[Insert Administrator Address]

[City, State ZIP]

By signing and mailing this form to exclude yourself from the class action settlement, you are agreeing to and confirming the following:

It is my decision not to participate in the class action settlement in *Miranda v. New Pride Tire, Inc., et al.* I understand that by excluding myself I will not receive a settlement payment from the class action settlement.

I confirm that I am and/or was employed by Defendants as an hourly-paid, non-exempt worker, whether a direct hire of Defendants or supplied through a staffing company and who is or was assigned to New Pride Tire, Inc.’s and related entities’ Rancho Dominguez location located at 2757 East Del Amo Blvd., Rancho Dominguez, California 90221 and/or Oakland location located at 8977 Railroad Ave., Oakland, California 94621, from August 18, 2018, to [INSERT DATE OF PRELIMINARY APPROVAL] or August 31, 2022, whichever date is earlier. I confirm that I have received and reviewed the Notice of Class Action Settlement in this action. I have decided to be excluded from the class, and I have decided **not** to participate in the proposed settlement.

I also understand that even if I exclude myself from the class portion settlement, I will still be bound by the Private Attorneys General Act of 2004 (“PAGA”) portion of the settlement. Specifically, if I am a current or former hourly-paid, non-exempt worker, whether a direct hire of Defendants or supplied through a staffing company and who is or was assigned to New Pride Tire, Inc.’s and related entities’ Rancho Dominguez location located at 2757 East Del Amo Blvd., Rancho Dominguez, California 90221 and/or Oakland location located at 8977 Railroad Ave., Oakland, California 94621, from February 7, 2019, to [INSERT DATE OF PRELIMINARY APPROVAL] or August 31, 2022, whichever date is earlier, I will still receive my portion of the PAGA Payment and be bound by the PAGA Released Claims

Dated: _____

(Signature)

(Last Four Digits of Social Security Number)

(Type or print name and former name(s))

(Telephone Number)

(Address)

(Address continued)

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PROOF OF SERVICE
1013A(3) CCP

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101, Pasadena, CA 91103 and my electronic service address is manderson@justicelawcorp.com

On May 12, 2022, I served the foregoing document described as

JOINT STIPULATION AND SETTLEMENT AGREEMENT

for the following case: **Miranda v. New Pride Tire, Inc.**
LWDA/Court Case No.: **LWDA Case No.: LWDA-CM-771390-20**
Court Case No.: RG20063513
Alameda Superior Court

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

[X] BY ELECTRONIC SUBMISSION

Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on May 12, 2022, at Pasadena, California.



Mariah Anderson