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SUPERIOR COURT OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

JOSE ADOLFO CERON SALAZAR,
RUBEN ESCARENO, AND RAFAEL
CRUZ, individually and on behalf of other
individuals similarly situated,

Plaintiff,

vs.

EAT GOOD STUFF, INC., a California
corporation; CRIS BENNETT, an individual;
and DOES 1 through 25, inclusive,

Defendants.

CASE NO.: 20STCV18761

*[Assigned to the Hon. David S. Cunningham,
Dept. SSC11, for all purposes.]*

**JOINT STIPULATION OF SETTLEMENT
AND RELEASE OF ALL CLAIMS**

Complaint Filed: May 15, 2020
Trial Date: None

1 This Joint Stipulation of Class Action Settlement and Release of Claims (“Stipulation”) is
2 made and entered into between Plaintiff Jose Adolfo Ceron Salazar (“Plaintiff”), on behalf of
3 himself as an individual and on behalf of all class members as set forth herein, and Defendants
4 Eat Good Stuff, Inc. and Cris Bennett (“Defendants”), who are Parties to the above-captioned
5 litigation. Upon final approval of this Stipulation by the Court, the above-captioned litigation
6 shall be dismissed in its entirety with prejudice.

7 It is hereby stipulated and agreed, by and between the undersigned Plaintiff and
8 Defendants (collectively, “the Parties”), subject to approval of the Court, that the settlement of
9 this action shall be effectuated upon and subject to the following terms and conditions:

10 **I. DEFINITIONS**

11 The following capitalized terms, when used in this Joint Stipulation of Settlement and
12 Release, shall have the following meanings:

13 1. “Action” or “Instant Action” or “Lawsuit” shall mean the above-stated action,
14 captioned as *Jose Adolfo Salazar v. Eat Good Stuff, Inc. and Cris Bennett*, filed in the County of
15 Los Angeles, Case No. 20STCV18761.

16 2. “Class Action Administrator” shall mean Simpluris whom the Parties have
17 selected to administer this Settlement, or such other claims administrator as may be mutually
18 designated by the Parties to this Agreement and approved by the Court.

19 3. “Class Action Administration Costs” shall mean the fees and expenses reasonably
20 and necessarily incurred by the Class Action Administrator as a result of performing the
21 settlement administration procedures and functions expressly required in this Agreement and
22 shall include all costs of administering the Settlement, including, but not limited to, all tax
23 document preparation, custodial fees, and accounting fees incurred by the Class Action
24 Administrator; all costs and fees associated with preparing, issuing and mailing any and all
25 notices and other correspondence to Settlement Class Members; all costs and fees associated
26 with computing, processing, reviewing, and paying the Settlement Payments, and resolving
27 disputed claims; all costs and fees associated with processing opt in requests from Settlement
28

1 Class Members; all costs and fees associated with performing necessary searches on notices
2 returned as undeliverable; all costs and fees associated with calculating tax withholdings and
3 payroll taxes and making related payments to federal state tax authorities and issuing tax forms
4 relating to payments made under the Settlement; all fees and costs associated with any other
5 payments to be made out of or into the Qualified Settlement Fund; all costs and fees associated
6 with preparing any tax returns and any other filings required by any governmental taxing
7 authority or agency; all costs and fees associated with preparing any other notices, reports, or
8 filings to be prepared in the course of administering disbursements from the Qualified Settlement
9 Fund; and any other costs and fees incurred and/or charged by the Class Action Administrator in
10 connection with the execution of its duties under this Agreement. Based on the estimate and
11 quote provided to Plaintiff's counsel, Simpluris shall perform all anticipated class administration
12 duties for a fee not to exceed Thirteen Thousand Dollars (\$13,000).

13 4. "Class" and "Settlement Class" shall mean all individuals who have been, or
14 currently are, employed by Defendants as "non-exempt" during the Class Period. Excluded from
15 the Class are employees who work only administrative and managerial functions as exempt
16 employees. The Class Size consists of approximately 519 employees.

17 5. "Class Counsel" shall mean Young W. Ryu and Sarah H. Cohen of LOYR, APC.

18 6. "Class Notice" shall mean the written notice sent to Settlement Class Members
19 which explains the Agreement, the Settlement Class Members' rights and obligations and shall
20 be sent to the Settlement Class Members following preliminary approval of the Settlement. The
21 Class Notice shall, *inter alia*, explain the procedures for filing an objection to the Settlement, and
22 opting out of the Settlement. The proposed Class Notice is attached hereto as Exhibit 1.

23 7. "Class Period" shall mean May 15, 2016 through the Date of Preliminary
24 Approval.

25 8. "Class Representatives" or "Plaintiffs" are Jose Adolfo Salazar, Rafael Cruz and
26 Ruben Escareno.

27 9. "Class Representative Released Claims" shall mean all rights, claims, interest,
28 liabilities, obligations, demands or causes of action of any type whatsoever, Plaintiffs have or

1 may have against any of the Released Parties, whether known or unknown, to the greatest extent
2 permitted by state or federal law, including, but not limited, to any and all claims (whether state,
3 federal, or administrative) for compensation, salaries, wages, bonuses, commissions, overtime,
4 benefits, sick pay, holiday pay, vacation, paid time off, severance pay, paid leave benefits,
5 penalties, interest, damages, back or front pay, costs, expenses, attorneys' fees, employee
6 benefits, promises on any and all of the above, remedies of any other type, breach of contract or
7 duty, fraud, misrepresentation, defamation, disparagement, blackballing, discrimination or
8 harassment in any form, wrongful discharge of employment; termination in violation of public
9 policy; discrimination; harassment; retaliation; failure to provide reasonable accommodation;
10 failure to engage in a good faith interactive process; breach of contract, both express and
11 implied; breach of covenant of good faith and fair dealing, both express and implied; promissory
12 estoppel; negligent or intentional infliction of emotional distress; negligent or intentional
13 interference with contract or prospective economic advantage; unfair business practices; libel;
14 slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment;
15 conversion; and disability benefits; any and all claims for violation of any federal, state, local,
16 municipal or other governmental statute or ordinance, including, but not limited to, Title VII of
17 the Civil Rights Act of 1964; the Civil Rights Act of 1991; the National Labor Relations Act; the
18 Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the
19 Fair Labor Standards Act, except as prohibited by law; the Fair Credit Reporting Act; the
20 Occupational Safety and Health Act; the Consolidated Omnibus Budget Reconciliation Act of
21 1985; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and
22 Retraining Notification Act; the Family and Medical Leave Act, except as prohibited by law; the
23 Sarbanes-Oxley Act of 2002; the Internal Revenue Code of 1986, as amended; HIPAA, the
24 California Family Rights Act; the California Labor Code; the California Industrial Welfare
25 Commission Wage Orders; the California Business & Professions Code; and the California Fair
26 Employment and Housing Act; the California Civil Code; the California Government Code; the
27 California Constitution; and all claims for punitive damages, exemplary damages, attorneys' fees
28 and costs, as well as any other statutes, laws regulations or damages of similar effect; any and all

claims for monetary recovery and personal or individual relief, except as prohibited by law. With regard to the Class Representative Released Claims, Plaintiffs expressly waive all rights under California Civil Code Section 1542, which states:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW ABOUT OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

The Class Representative Released Claims shall not include any claims for workers’ compensation currently pending before the Workers’ Compensation Appeals Board (“WCAB”). Class Representative releases all claims for statutory penalties that could have been sought by the Labor Commissioner for the violations identified in the Class Representative’s pre-filing letter to the LWDA; Class Representative does not release any aggrieved employee’s claim for wages or damages. Class Representative only releases PAGA penalties against Defendants, together with their officers, directors, employees, and agents. The release of claims for PAGA penalties shall only bind Class Representative, and the State of California.

10. “Court” shall mean the Superior Court of California for the County of Los Angeles.

11. “Date of Preliminary Approval” shall mean the date the Court enters an Order approving this Stipulation of Settlement, and the exhibits thereto, and setting a hearing for Final Approval of the Settlement, including approval of attorneys’ fees and costs.

12. “Date of Final Approval” shall mean the date on which the Court enters a Final Judgment in this matter which approves the terms and conditions of this Stipulation of Settlement, and the exhibits thereto; dismisses the claims against Defendants with prejudice; disposes of all issues and claims in this Action as to the Released Parties as provided in the Agreement; bars Stipulated Class Members who have opted into this Settlement from asserting or reopening any claims settled or released through the releases contained herein; and awards and orders the payment of all required amounts pursuant to the terms of this Agreement, including

1 attorneys' fees and costs, Class Action Administrator payments, Settlement Payments to
2 Qualified Settlement Class Members, and Plaintiff's Service Enhancement Payment.

3 13. "Defendants" shall mean EAT GOOD STUFF, INC and CRIS BENNETT.

4 14. "Defendants' Counsel" shall mean James Artiano and Joanne Leighton of
5 Artiano and Associates, APC.

6 15. "Effective Date" of this Stipulation means the first business day upon which the
7 last of the following have occurred:

8 a. If Settlement Class Members have not filed objections, or if they have filed
9 objections and said objections have been withdrawn, entry of the Final
10 Judgment in this Action after the Court has granted final approval of the
11 Settlement, and a file stamped copy of the Final Judgment with a proof of
12 service has been served on all parties by Class Counsel, or

13 b. If Settlement Class Members have filed objections that have not been
14 withdrawn, either (1) the time to appeal, object or attack the Court's entry of
15 Final Judgment has expired and there has been no appeal, objection or attack;
16 or (2) The court of last resort to which any appeal is taken has affirmed its
17 entry of Final Judgment in its entirety or the Settlement Class Member has
18 presented a petition for review and the affirmance is no longer subject to
19 further appeal or review, and no further challenge to the entry of Final
20 Judgment is possible.

21 16. "Complaint" shall mean the Operative Complaint in the above-stated action,
22 captioned as *Jose Adolfo Salazar v. Eat Good Stuff, Inc.*, filed in the County of Los Angeles,
23 Case No. 20STCV18761.

24 17. "Final Judgment" shall mean the order (or orders) entered and filed by the Court
25 that provides final approval to this Agreement and the Settlement; dismisses the claims against
26 Defendants with prejudice; disposes of all issues and claims in this Action as to the Released
27 Parties as provided in the Agreement; bars Settlement Class Members who have not validly
28 opted out of this Settlement from asserting or reopening any claims settled or released through

the releases contained herein; and awards and orders the payment of all required amounts pursuant to the terms of this Agreement, including attorneys' fees and costs, Class Action Administrator payments, Settlement Payments to the Qualified Settlement Class Members, and Plaintiff's Service Enhancement Payment.

18. "Maximum Settlement Amount" shall mean the sum of Four Hundred Fifty Thousand Dollars and No Cents (\$450,000.00), which represents the maximum amount to be paid for any purpose by Defendants under the terms of this Agreement. As provided in this Agreement (including the release of claims), payment by Defendants of this sum pursuant to this Agreement is intended to and shall settle all issues and claims encompassed within the Action as between Plaintiffs, Stipulated Class Members, and Qualified Settlement Class Members on the one hand, and as against Defendants and Released Parties on the other, including, but not limited to, all payments to be made to Qualified Settlement Class Members, attorneys' fees approved by the Court and awarded to Class Counsel, costs approved by the Court, Plaintiff's Service Enhancement Payment, and Class Action Administration Costs, and any other costs, expenses, or obligations associated with this Settlement incurred or claimed by Stipulated Class Members, Plaintiff, Class Counsel, or the Class Action Administrator. Under no circumstances shall Defendants be liable or responsible to Plaintiff, Stipulated Class Members, Qualified Settlement Class Members, Class Counsel, the Class Action Administrator, or any other party or entity hereto, for any additional funds beyond the Maximum Settlement Amount of Four Hundred Fifty Thousand Dollars and No Cents (\$450,000.00) if this Settlement is given final approval by the Court.

19. "Net Settlement Amount" is the portion of the Maximum Settlement Amount eligible for distribution to the Qualified Settlement Class Members. This is the Maximum Settlement Amount minus Court-Approved Class Action Administration Costs, the 25% portion of PAGA penalties payable to aggrieved employees, attorneys' fees and costs awarded to Class Counsel, Plaintiff's Service Enhancement Payment.

20. All of the Class Members' and Defendants' payroll taxes shall be paid separately by Defendants in an amount separate from the Maximum Settlement Amount.

1 21. “Class Notice” shall mean the document attached hereto as **Exhibit 1**.

2 22. “Opt Out Period” shall mean a period of thirty (30) calendar days from the date
3 the Class Action Administrator mails the Settlement Documents to Settlement Class Members. If
4 the thirtieth day falls on a Sunday or holiday, the Opt Out Period shall end on the next business
5 day that is not a Sunday or holiday.

6 23. “Parties” shall mean the parties to the Agreement, specifically, Plaintiffs,
7 individually and on behalf of all Class Members, and Defendants.

8 24. “Party” shall mean either Plaintiffs or Defendants.

9 25. “Qualified Settlement Fund” shall mean the Qualified Settlement Fund
10 established by the Class Action Administrator for the benefit of the Stipulated Class Members as
11 set forth herein.

12 26. “Qualifying Pay Periods” shall mean the number of weeks during the Class Period
13 during which a Qualified Settlement Class Member worked a single shift by Defendants in
14 California. Time spent on vacation, leaves of absence, and sick time will not be counted as a day
15 worked. Qualifying Pay Periods will be calculated by the Class Action Administrator based on
16 information regarding the Settlement Class Member’s length of employment within the relevant
17 time period provided by Defendants. This information shall be treated as confidential.

18 27. “Qualified Settlement Class Member” shall mean a Settlement Class Member
19 who has not timely and correctly submitted a request for exclusion to the Class Action
20 Administrator.

21 “Qualified Settlement Class Member Released Claims” shall mean the following claims,
22 which are being released for the time period May 15, 2016 to the Preliminary Approval Date: All
23 claims and causes of action alleged in the Complaint on file in this Action against Defendants,
24 together with only their officers, directors, employees and agents. These claims only include: 1)
25 Failure to Compensate All Hours Worked in Violation of Industrial Welfare Commission Order
26 No. 5 and Cal. Labor Code §§ 200, 226, 500, 510, 1194, 1197, and 1198; (2) Missed Meal and
27 Rest Breaks in Violation of Cal. Labor Code §§ 226.7, 512, 558 and 1198; (3) Failure to Pay All
28 Accrued and Vested Vacation/PTO Wages in Violation Of Cal. Labor Code § 227.3; (4) Failure

1 to Provide Proper Wage Statements in Violation Of Cal. Labor Code § 226; (5) Failure to Pay
2 Compensation Upon Termination of Employment in Violation of Cal. Labor Code §§ 201-203;
3 (6) Violation of Cal. Labor Code §§ 2698 *et. seq.* (“PAGA”); and (7) Violations of Cal. B&P
4 Code §§ 17200, *et seq.* based solely upon the facts as alleged in the Complaint. The Final
5 Judgment shall cover and bar each and every Qualified Settlement Class Member from asserting
6 any Qualified Settlement Class Member Released Claims in the future.

7 28. “Qualified Settlement Class Member Settlement Amount” or “Qualified
8 Settlement Class Member Settlement Payment” shall mean the total, gross amount due to a
9 Qualified Settlement Class Member, which shall be calculated pursuant to the terms of this
10 Agreement.

11 29. “Released Parties” shall mean Defendants EAT GOOD STUFF, INC and CRIS
12 BENNETT, non-parties CB STUFF, INC.; ITS NOT JUST A RESTAURANT, INC.; GS
13 SURFSIDE, INC., and their past, present, and future parents, affiliates, subsidiaries, divisions,
14 predecessors, successors, partners, joint ventures, affiliated organizations, insurers and assigns,
15 and each of their past, present and future officers, directors, trustees, agents, employees,
16 attorneys, contractors, representatives, partners, joint ventures, benefit plans sponsored or
17 administered by Defendants, divisions, units, branches and other persons or entities acting on
18 their behalf and any other individual or entity that could be jointly and/or severally liable with
19 any of the foregoing based on any theory of law, equity, or otherwise.

20 30. “Settlement Class Members” shall mean each person eligible to participate in this
21 Settlement who is a member of the Class defined above.

22 31. “Settlement Payment” shall mean the payment due to a Qualified Settlement
23 Class Member, which shall be calculated pursuant to the terms of this Agreement as part of the
24 Settlement of the Action.

25 32. “Service Enhancement Payment” shall mean an amount to be paid to the
26 Plaintiffs for his work as Class Representative and in exchange for a general release and full
27 waiver of any and all claims, in an amount to be approved by the Court, not to exceed Ten
28 Thousand Dollars and No Cents (\$10,000.00).

33. “Stipulation of Settlement,” “Stipulation,” “Settlement Agreement,” “Settlement” and “Agreement” each shall mean this Joint Stipulation of Settlement and Release.

II. DESCRIPTION OF THE LITIGATION

34. On or about May 15, 2020, Plaintiff Jose Adolfo Salazar filed a class action lawsuit against Defendants in the Superior Court for the State of California, in and for the County of Los Angeles, Case Number 20STCV18761, alleging 1) Failure to Compensate All Hours Worked in Violation of Industrial Welfare Commission Order No. 5 and Cal. Labor Code §§ 200, 226, 500, 510, 1194, 1197, and 1198; (2) Missed Meal and Rest Breaks in Violation of Cal. Labor Code §§ 226.7, 512, 558 and 1198; (3) Failure to Pay All Accrued and Vested Vacation/PTO Wages in Violation Of Cal. Labor Code § 227.3; (4) Failure to Provide Proper Wage Statements in Violation Of Cal. Labor Code § 226; (5) Failure to Pay Compensation Upon Termination of Employment in Violation of Cal. Labor Code §§ 201-203; (6) Violation of Cal. Labor Code §§ 2698 *et. seq.* (“PAGA”); and (7) Violations of Cal. B&P Code §§ 17200, *et seq.*

35. Plaintiff seeks to represent a putative class of all current and former non-exempt employees employed by Defendants in California on or after May 15, 2016 through the Date of Preliminary Approval.

III. POSITIONS OF THE PARTIES

36. The Parties conducted formal investigations regarding the instant matter. Plaintiffs were provided information regarding the work performed by the Settlement Class as well as Defendants’ policies and practices regarding compensation, meal and rest periods, and timekeeping procedures. Additionally, at Class Counsel’s request, Defendants produced the rates of pay, dates of hire and termination of employment for all Settlement Class Members, which both Parties reviewed. Defendants took Plaintiff Salazar’s deposition on February 16, 2021. The discovery yielded valuable information to the Plaintiffs for purposes of determining the viability of class certification, liability, and the amount of damages in controversy.

37. Defendants deny Plaintiffs’ claims in their entirety. Defendants do not believe that any liability to Plaintiffs or Settlement Class Members exists, or that Plaintiffs or Settlement Class Members are entitled to any recovery, on a legal or factual basis. Defendants contend,

1 among other things, that it has complied at all times with the California Labor Code, the
2 California Wage Orders, and all applicable California state and federal laws. In addition,
3 Defendants contend that Plaintiffs' claims are not suitable for class or representative action
4 treatment. Nothing in this Stipulation of Settlement shall be construed to be or deemed an
5 admission by Defendants of any liability, culpability, negligence, or wrongdoing toward the
6 Class Representative, the Settlement Class Members, or any other person, and Defendants
7 specifically disclaim any liability, culpability, negligence, or wrongdoing toward the Class
8 Representative, the Settlement Class Members, or any other person, and further denies that class
9 certification or representative action treatment is appropriate.

10 38. On December 20, 2021, the Parties participated in full-day mediation with
11 experienced mediator Steven Serratore, Esq. via Zoom. No settlement offers were exchanged or
12 discussed by the Parties prior to engaging in mediation. The mediation resulted in a final
13 settlement between the Parties. All of the terms of the Parties' settlement are contained within
14 this Stipulation of Settlement. At all times, the Parties' settlement negotiations have been non-
15 collusive, adversarial, and held entirely at arm's length.

16 39. Discussions between counsel for the Parties, discovery, as well as the Parties'
17 own investigation and evaluation of Plaintiff's claims, have permitted each side to fully assess
18 the relative merits of the claims and the defenses to those claims. The Parties agree that the
19 above-described investigation and evaluation, as well as the information exchanged during
20 settlement negotiations and mediation, are more than sufficient to assess the merits of the
21 respective Parties' positions and to compromise the issues on a fair and equitable basis. Based
22 on their own independent investigations and evaluations, and considering the representative and
23 class claims and the risk of loss, Class Counsel is of the opinion that the consideration and terms
24 of the Settlement as set forth below are fair, reasonable, and adequate in light of all known facts
25 and circumstances, and are in the best interests of the Class as a whole. Class Counsel is also of
26 the opinion that the total consideration and payment set forth in this Stipulation of Settlement is
27 adequate in light of the uncertainties surrounding the risk of further litigation, and the possible
28 defenses and offset claims that Defendants has asserted and could assert.

40. Defendants and their counsel have similarly concluded that there are benefits associated with settling this Action at this early stage, in lieu of further litigation. After taking into account the sharply-disputed factual and legal issues involved in the Action, the expense and burden of protracted litigation, the uncertainty and risk associated with litigation, and Defendants' desire to put the controversy to rest and avoid incurring further costs in connection with defending the Action, Defendants believe that settlement on the terms set forth in this Agreement is in its best interest and is fair and reasonable. Without admitting or conceding liability or damages, Defendants have entered into this Agreement to fully, finally, and forever resolve this litigation and bar further litigation from the Settlement Class on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the recitals listed above and the promises, releases, and warranties set forth below, and intending to be legally bound and acknowledging the sufficiency of the consideration and undertakings set forth herein, Plaintiffs, individually and on behalf of the Settlement Class Members, on the one hand, and Defendants, on the other hand, agree that the Action shall be, and is finally and fully compromised and settled, on the terms and conditions contained in this Agreement, as more fully set forth below.

RELEASE OF CLAIMS

As a material part of this Agreement, the following releases are hereby provided:

- a. Upon the Effective Date, the Plaintiffs hereby fully, finally, and forever releases, relinquishes, and discharges all Class Representatives Released Claims against the Released Parties.
- b. Upon the Effective Date, all Qualified Settlement Class Members (including Plaintiffs) including their heirs, assigns, and estates, shall be deemed to fully, forever, irrevocably and unconditionally release, hereby fully, finally, and forever release, relinquish, and discharge all Qualified Settlement Class Member Released Claims against the Released Parties.

IV. CLASS CERTIFICATION FOR SETTLEMENT PURPOSES

41. Non-Admission. This Stipulation of Settlement, and any related Court documents

1 or orders, may not be cited, construed, or otherwise admitted as evidence of prior acts, liability,
2 culpability, negligence, or wrongdoing on the part of the Released Parties, or that class
3 certification or representative action treatment is appropriate or legally available. There has been
4 no preliminary or final determination by any court as to the merits of the claims asserted by
5 Plaintiffs against Defendants or as to the arbitrability of any such claims or whether a class
6 should be certified, other than for the purposes of settlement. Defendants deny all of the
7 Plaintiffs' individual claims, as well as Plaintiff's class allegations, as to liability and damages.
8 Defendants do not waive, but rather expressly reserves, all rights to challenge all such claims and
9 allegations upon all available procedural and substantive grounds, including the assertion of any
10 and all defenses, should this Settlement not be consummated.

11 42. Conditional Certification of the Settlement Class. Solely for the purpose of
12 effectuating settlement of all class claims that have been or could have been asserted in the
13 Action, the Parties stipulate to the *conditional* certification of the Settlement Class as defined
14 herein. As set forth in the provisions below, the certification for settlement purposes and all
15 terms of this Settlement are null and void *ab initio* and shall be of no force or effect whatsoever,
16 and shall not be referred to or utilized for any purpose whatsoever, if this Settlement is not
17 approved by the Court, or in the event that any such judgment does not become final for any
18 reason, or in the event that the Effective Date, as defined herein, does not occur.

19 43. Appointment of Plaintiff's Counsel As Settlement Class Counsel. Subject to the
20 Court's approval, the Parties further stipulate that, for settlement purposes only, the LOYR,
21 APC, and more specifically, Young W. Ryu and Sarah H. Cohen may be appointed as Class
22 Counsel, and that Plaintiffs Jose Adolfo Salazar, Rafael Cruz and Ruben Escareno may be
23 appointed as the Class Representatives. Such agreement does not constitute a waiver of any and
24 all defenses or arguments Defendants may assert as to such appointment of counsel, if this
25 Settlement is not approved by the Court, or in the event that any such judgment does not become
26 final for any reason, or in the event that the Effective Date, as defined herein, does not occur.

27 **VI. SETTLEMENT FUNDS, CLAIM PROCESSING, AND SETTLEMENT PAYMENT**
28 **CALCULATION**

1 44. Two Payments of the Maximum Settlement Amount. Defendants shall deposit
2 with the Class Action Administrator the amount of Four Hundred Fifty Thousand, Dollars and
3 No Cents (\$450,000.00) as the Maximum Settlement Amount to resolve the Action on a class-
4 wide basis. Such deposit of the Maximum Settlement Amount shall be made by way of: (1) Two
5 Hundred Fifty Thousand Dollars and No Cents (\$250,000.00) to be deposited with the Class
6 Administrator within 60 calendar days from the date of the Final Approval Order; and (2) The
7 rest of Two Hundred Thousand Dollars No Cents (\$200,000.00) shall be deposited with the Class
8 Administrator within 120 calendar days from the date of the Final Approval Order.

9 45. The Class Action Administrator shall then deposit both payments into an interest-
10 bearing account, which interest (if any) shall be included in the payments to be made to the
11 Qualified Settlement Class Members. This is a non-reversionary settlement. The Parties agree
12 to the following allocations to be paid from the Maximum Settlement Amount, subject to Court
13 approval:

14 a. Defendants will not oppose Class Counsel's application to the Court for up to
15 one-third (1/3) or One Hundred Fifty Thousand Dollars (\$150,000.00) of the
16 Maximum Settlement Amount for attorneys' fees. Plaintiff's requested
17 attorneys' fees will be subject to the approval of the Court.

18 b. Defendants will not oppose Class Counsel's application to the Court for up to
19 Eighteen Thousand Dollars (\$18,000.00) in reimbursement of all reasonable
20 and documented out-of-pocket litigation costs and expenses related to the
21 Action incurred by Class Counsel. Plaintiff's requested costs and expenses
22 shall be subject to the approval of the Court. Any award of attorneys' fees and
23 costs shall include and satisfy all past and future fees and costs incurred to
24 prosecute, settle and administer the Action and this Settlement Agreement,
25 including obtaining the Final Approval Order and Judgment.

26 c. Defendants will not oppose Class Counsel's application to the Court for a
27 Service Enhancement Payment to the Class Representative in the gross
28 amount of Ten Thousand Dollars for Class Representative Jose Ceron Salazar,

1 and Five Thousand Dollars each (\$5,000.00) for Class Representatives Rafael
2 Cruz and Ruben Escareno, in consideration for their full release of all claims
3 and for their efforts in instituting and participating in the Action. Plaintiffs'
4 request for and the amount of the Service Enhancement Payment shall be
5 subject to the approval of the Court.

6 d. Class Action Administration Costs, not to exceed Thirteen Thousand Dollars
7 (\$13,000.00), will be paid to Simpluris from the Maximum Settlement
8 Amount. The Class Action Administration Costs and the Class Action
9 Administrator shall be subject to the approval of the Court. All disputes
10 relating to the Claim's Administrator's performance of its duties shall be
11 referred to the Court, if necessary, which shall have continuing jurisdiction
12 over the terms and conditions of the Settlement until all payments and
13 obligations contemplated by the Settlement have been fully satisfied and
14 carried out.

15 e. All taxes, penalties and interest that are or may be due from any party on the
16 Maximum Settlement Amount paid by Defendants herein.

17 f. Twenty Thousand Dollars (\$20,000.00) shall be allocated as PAGA Penalty. It
18 will be paid to the Labor & Workforce Development Agency (LWDA) in
19 consideration for a full and complete release of any claim that penalties may
20 be owed pursuant to PAGA for the alleged violations of the Labor Code that
21 were or could have been asserted in the Action. Fifteen Thousand Dollars
22 (\$15,000), which represents the LWDA's 75 percent share of the Twenty
23 Thousand Dollars (\$20,000.00) of the settlement claim allocated under
24 California Labor Code section 2698 et seq., in satisfaction of any claim for
25 penalties that may be owed to that agency under PAGA. The remaining 25
26 percent share, Five Thousand Dollars (\$5,000.00), will be distributed equally
27 among the Qualified Settlement Class Members in an amount separate from
28 the Net Settlement Amount.

1 46. The Parties agree that, over and above the Court-approved attorneys' fee awarded,
2 each of the Parties, including all Stipulated Class Members, shall bear their own fees and costs,
3 including, but not limited to, those relative to the investigation, filing, prosecution or settlement
4 of the Action; the negotiation, execution, or implementation of this Stipulation; and/or the
5 process of obtaining, administering or challenging a certification order and/or final approval.
6 Neither Plaintiffs, nor any other Stipulated Class Member, shall seek payment of attorneys' fees
7 or reimbursement of costs or expenses from Defendants other than as expressly set forth in this
8 Stipulation.

9 47. The Parties agree that the Settlement Agreement shall remain binding even if the
10 Court does not approve the full amount of attorneys' fees, litigation costs and expenses, Service
11 Enhancement Payment, Class Action Administration Costs and taxes, penalties or interest set
12 forth above. The Agreement shall remain binding with any such Court-ordered modification(s)
13 pursuant to this paragraph and its terms will otherwise remain unchanged. Any Court-ordered
14 reduction in the attorneys' fees, litigation costs and expenses, Service Enhancement Payment,
15 Class Action Administration Costs or taxes, penalties and interest shall be added to the Net
16 Settlement Amount.

17 48. Tax Treatment. For tax purposes, Qualified Settlement Class Members shall be
18 responsible for the proper payment of taxes on all Qualified Settlement Class Member
19 Settlement Payments except that all employee deductions (including taxes on any payments
20 attributable to wages) shall be deducted from any Qualified Settlement Class Members'
21 Settlement Payments hereunder as required by law. The Parties agree that the amount of monies
22 attributable to wages shall be ten percent (10%) of any pay-out of net settlement proceeds per
23 Qualified Settlement Class Member with forty-five percent (45%) attributed to penalties and the
24 remaining forty-five percent (45%) attributable to interest). Defendants are not responsible for
25 any tax consequences regarding the allocation of the settlement payments. The Class
26 Representatives and Qualified Settlement Class Members should consult with their tax advisors
27 concerning the tax consequences of the payments they receive under the Settlement. An IRS Tax
28 Form W-2 will be issued to each Qualified Settlement Class Member with regard to the portion

of the Qualified Settlement Class Member Settlement Payments attributable to wages and an IRS Tax Form 1099 will be issued to each Qualified Settlement Class Member with regard to the remaining portion of the Qualified Settlement Class Member Payments. An IRS Tax Form 1099 shall be issued to Class Counsel at the appropriate time in the amount of attorneys' fees and costs paid to Class Counsel.

49. Class Representatives are Presumed a Qualified Settlement Class Member. The Class Representatives shall automatically be deemed a Qualified Settlement Class Member.

50. Binding Effect of Agreement on Stipulated Class Members. Upon the Effective Date, all Qualified Settlement Class Members shall be bound by this Agreement, and all Qualified Settlement Class Member Released Claims and the Released Claims shall be released as against the Defendants and the Released Parties. All Settlement Class Members who do not opt out of the Settlement as described in this Agreement shall be barred from pursuing, or seeking to reopen, any Released Claims against the Defendants and the Released Parties.

51. Calculation of Settlement Payments. The Class Action Administrator will calculate pro rata Settlement Payments to Qualified Settlement Class Members from the Net Settlement Amount based on each Qualified Settlement Class Member's Qualifying Pay Periods as reflected on Defendants' internal records as set forth in this paragraph. The Parties agree that the following formulas for allocating the Settlement Payments provided herein are reasonable and that the Settlement Payments provided herein are designed to provide a fair settlement to the Class:

- a. The number of Qualifying Pay Periods that each Qualified Settlement Class Member was employed shall be determined;
- b. The number of Qualifying Pay Periods that all Qualified Settlement Class Members were employed shall be aggregated;
- c. The percentage obtained by dividing the number of Qualifying Pay Periods for an individual Qualified Settlement Class Member by the aggregate of all Qualifying Pay Periods for all Qualified Settlement Class Members shall be used to calculate that individual Qualified Settlement

1 Class Member's relative share of the Net Settlement Amount.

- 2 d. The Parties hereby agree that the formula for allocating to the Settlement
3 Payments provided herein is reasonable and that the settlement payments
4 provided herein are designed to provide a fair settlement to the Stipulated
5 Class, despite the uncertainties associated with the amounts alleged to be
6 owed.

7 52. Distribution of Settlement Payments. If and when the Effective Date occurs, the
8 Class Action Administrator shall prepare a final list of all Qualified Settlement Class Members.
9 For each Qualified Settlement Class Member on this list, the Class Action Administrator will
10 calculate the amounts due to each Qualified Settlement Class Member and issue checks payable
11 to said Qualified Settlement Class Member. The Settlement Payments made to Qualified
12 Settlement Class Members under this Agreement shall not be utilized to calculate any additional
13 benefits under any benefit plans to which any Qualified Settlement Class Member may otherwise
14 be eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock
15 purchase plans, vacation plans, sick leave plans, paid time off plans, and any other benefit plan.

16
17 **VII. PRELIMINARY APPROVAL, FINAL SETTLEMENT HEARING, AND**
18 **TERMINATION OF SETTLEMENT**

19 53. Preliminary Court Approval of the Settlement. Within thirty (30) calendar days
20 following execution of this Settlement Agreement, Plaintiffs shall be responsible for requesting
21 the Court to set a date for Preliminary Approval. Plaintiff shall be responsible for drafting and
22 filing the Motion for Preliminary Approval and proposed Order. The Motion for Preliminary
23 Approval shall request an Order that shall:

- 24 a. Preliminarily approve the proposed Settlement and this Agreement;
25 b. Conditionally certify the Settlement Class pursuant to the California Code
26 of Civil Procedure for the sole purpose of effectuating this settlement;
27 c. Approve the plan for provision of notice to Stipulated Class Members
28 under this Agreement, including the form of the Class Notice;

1 e. Approve the procedure for Stipulated Class Members to object to the
2 Settlement, including setting a deadline for Stipulated Class Members to
3 submit such objections; and

4 f. Schedule the Final Settlement Hearing for final approval of this Settlement
5 and entry of the Final Judgment.

6 54. Final Court Approval of the Settlement. Plaintiffs shall be responsible for
7 preparing and filing the Motion for Final Approval of the Settlement within thirty (30) business
8 days following the conclusion of the Notice Period. Plaintiffs shall also be responsible for
9 preparing and filing Class Counsel's application for attorney fees, reimbursement of litigation
10 costs, and Plaintiff's Service Enhancement Payment. Prior to the Final Approval hearing by the
11 Court, Plaintiff will submit proposed Final Order(s): (a) certifying the Class for settlement
12 purposes only; (b) finding the settlement fair, reasonable, and in the best interests of the
13 Stipulated Class Members; (c) approving Class Counsel's application for an award of attorneys'
14 fees and litigation costs; (d) approving the Class Representative's application for a Service
15 Enhancement Payment; (e) approving payment of Class Action Administration fees; and (f)
16 entering judgment in accordance with this Settlement.

17 55. Coordination of Counsel's Efforts. Defendants shall not oppose Plaintiffs'
18 Motions for Preliminary Approval and Final Approval of the Settlement, provided such motions
19 and related materials support and are consistent with the terms of this Agreement as set forth
20 herein.

21 56. Right to Revoke, Termination, or Other Failure of Settlement. Either Party has
22 the right in its sole and exclusive discretion to terminate and withdraw from the Settlement at any
23 time prior to the Date of Final Approval if any of the following occur: (a) the Court does not
24 certify the Stipulated Settlement Class as described herein, or does not certify a class releasing
25 all of the Qualified Settlement Class Member Released Claims, the Released Claims, and/or the
26 Class Representative Released Claims as defined herein or otherwise makes an order inconsistent
27 with any of the terms of this Settlement Agreement; (b) the Court does not grant preliminary or
28 final approval of the Settlement in accordance with its terms. Recovery of attorneys' fees and

costs by Class Counsel and an enhancement award to the Plaintiff are terms of this Agreement, but the allowance or disallowance by the Court of an award of attorneys' fees and/or costs and/or the enhancement award to the Plaintiff are not part of this Settlement, and will be considered by the Court separately from the Court's consideration of the fairness, reasonableness, adequacy and good faith of this Settlement to the Settlement Class ; (c) the Court does not enter the Final Judgment; (d) Defendants exercises its option to terminate the Settlement; or (e) the Effective Date does not occur or the Settlement does not become final for any other reason. If, for any reason, the Settlement is not approved by the Court, or if a Party terminates and withdraws from the Settlement pursuant to this paragraph, this Settlement Agreement and any related settlement documents shall be null and void, and any class certified for settlement purposes will be vacated and any other order entered by the Court in furtherance of this Settlement shall be treated as void *ab initio*. In such an event, the Parties shall return to the status quo as if the Parties had not entered into this Settlement, and this Agreement, all negotiations, Court orders, and proceedings relating thereto shall be without prejudice to the rights of the Parties hereto, and all evidence relating to the Settlement and all negotiations shall not be admissible, discoverable, or otherwise used in the Action, in any other litigation, or otherwise. Any funds (including the Maximum Settlement Fund) used or to be used for the Settlement, including for claims administration costs and fees, Plaintiff's Service Enhancement Payment, Class Counsel's attorneys' fees and costs, and Settlement Payments, and any interest accrued thereon shall be returned to Defendants, and the Parties shall be restored to their positions as though this Agreement had never been executed, with the exception of Class Action Administration Costs already incurred before the Settlement is voided or otherwise not effectuated. In such event, for Class Action Administration Costs incurred prior to the date the Settlement is voided or otherwise not effectuated, the Class Action Administrator shall be paid equally by each of the Parties for its reasonable costs incurred to the date the Settlement was voided or otherwise not effectuated. The terminating Party shall give to the other Party (through its counsel) written notice of its decision to terminate within ten (10) business days after receiving notice that one of the enumerated events has occurred.

57. Defendants' Termination Right and Option. Notwithstanding any other provision

of this Settlement, Defendants shall have the sole and exclusive option (but not the obligation), in the exercise of its sole discretion, to terminate or cancel the Settlement if Ten Percent (10%) or more of the Settlement Class Members opt-out and fail to become Qualified Settlement Class Members, and in such event, the Parties shall be restored to their respective positions in all respects as though the contemplated settlement never occurred. In the event of such a termination, no party may use the fact that the Parties agreed to settle or the terms provided herein as an admission, as evidence, or for any other purpose, including, without limitation, to prove any liability or the amount of any sum allegedly owed by any Party. Defendants will have until the date of the Final Approval Hearing to terminate or rescind the Settlement under this paragraph.

58. Termination of Settlement Agreement. If the conditions of the Settlement set forth in this Settlement Agreement are not satisfied, or if either Party terminates and withdraws from the Settlement, or if the Court does not enter judgment consistent with this Stipulation, or if appellate review is sought and on such review the Court's decision is materially modified or reversed, or, if one or more of the terms of the Settlement is not approved or the Settlement with respect to one or more such terms is materially modified or reversed, then this Settlement shall be canceled, terminated, and shall have no force or effect. If a Final Approval Order does not occur, or if this Settlement is terminated, revoked, or canceled pursuant to its terms, the Parties to this Settlement shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement.

VIII. CLASS ACTION ADMINISTRATION

59. Selection and Compensation of Class Action Administrator. The Parties agree to jointly utilize third-party Class Action Administrator, Simpluris, to give notice of and communicate with Settlement Class Members regarding the Settlement. Based on the estimate and quote provided to Plaintiff's counsel, Simpluris shall perform all anticipated class administration duties for a fee not to exceed Thirteen Thousand Dollars and No Cents (\$13,000.00). If the actual cost of Class Action Administration is less than the amount approved by the Court, those funds shall be added to the Net Settlement Amount for allocation to

1 Stipulated Class Members. All costs associated with Class Action Administration shall come out
2 of the Maximum Settlement Amount.

3 61. Establishment and Funding of the Qualified Settlement Fund (“QSF”). The
4 Qualified Settlement Fund shall be established at a federally-insured bank that is acceptable to
5 Defendants and the Class Action Administrator. The Parties agree that the Qualified Settlement
6 Fund is intended to be a “Qualified Settlement Fund” under section 468B of the Code and Treas.
7 Reg. §1.468B-1, 26 CFR § 1.468B-1, et seq., and will be administered by the Class Action
8 Administrator as such. With respect to the Qualified Settlement Fund, the Class Action
9 Administrator shall: (1) open and administer a Settlement Account in such a manner as to
10 qualify and maintain the qualification of the Qualified Settlement Fund as a “Qualified
11 Settlement Fund” under Section 468B of the Code and Treas. Reg. §1.468B-1; (2) calculate,
12 withhold, remit and report each Qualified Settlement Class Member’s share of applicable payroll
13 taxes (including, without limitation, federal, state and local income tax withholding, FICA,
14 Medicare and any state or local employment taxes), and indemnify Defendants for any penalty
15 arising out of any error or incorrect calculation and/or interest with respect to any late deposit of
16 the same; (3) calculate, withhold, and cooperate with Defendants to remit and to permit
17 Defendants to report applicable taxes (including, without limitation, federal, state and local
18 income tax withholding, FICA, Medicare, unemployment insurance, employment training tax,
19 state disability insurance and any state or local employment taxes), and indemnify Defendants
20 for any penalty arising out of any error or incorrect calculation and/or interest with respect to the
21 same; (4) satisfy all federal, state and local income and other tax reporting, return, and filing
22 requirements with respect to the Qualified Settlement Fund and any interest or other income
23 earned by the Qualified Settlement Fund; and (5) satisfy out of the Qualified Settlement Fund all
24 (i) taxes (including any estimated taxes, interest or penalties) with respect to the interest or other
25 income earned by the Qualified Settlement Fund, if any, and (ii) fees, expenses and costs
26 incurred in connection with the opening and administration of the Qualified Settlement Fund and
27 the performance of its duties and functions as described in this Agreement. The aforementioned
28 taxes, fees, costs and expenses shall be treated as and included in the costs of administering the

1 Qualified Settlement Fund and as Class Action Administration Costs. The Parties and the Class
2 Action Administrator shall treat the Qualified Settlement Fund as coming into existence as a
3 Qualified Settlement Fund on the earliest date permitted as set forth in 26 CFR §1.468B-
4 1(j)(2)(i), and such election statement shall be attached to the appropriate returns as required by
5 26 CFR §1.468B-1(j)(2)(ii). The Parties agree to cooperate with the Class Action Administrator
6 and one another to the extent reasonably necessary to carry out the provisions of this Section.

7 60. Class Action Administration After Preliminary Approval. Defendants will
8 provide the names, last known address and telephone information, Social Security numbers, and
9 total Qualifying Pay Periods for Settlement Class Members (“Class Data”) to the Class Action
10 Administrator only and on a confidential basis. Defendants will provide the Class Data to the
11 Class Action Administrator no later than seven (7) calendar days after the Court grants
12 Preliminary Approval of the Settlement, but subject to the Class Action Administrator providing
13 adequate and contractual assurances with respect to confidentiality and data security. Class Data
14 shall be used by the Class Action Administrator solely for the purpose of calculating settlement
15 shares, notifying the Settlement Class Members of the Settlement, and tax reporting. The Class
16 Action Administrator shall run the Class Data list through the National Change of Address
17 database, and will use the most recent address for each Settlement Class Member — either from
18 Defendants’ records or the National Change of Address database — when mailing the Class
19 Notice. The Class Action Administrator shall also take reasonable steps to locate any Settlement
20 Class Member whose Class Notice is returned as undeliverable.

21 61. Class Action Administration After The Opt-Out Period. Within seven (7)
22 calendar days following the close of the Opt-Out Period, the Class Action Administrator shall
23 notify Class Counsel and Defendants’ Counsel in writing of: (1) the number of timely completed
24 and properly submitted requests for exclusion, and (2) the name(s) of the Settlement Class
25 Member(s) who submitted the request(s) for exclusion. The Class Action Administrator will
26 determine which Settlement Class Members did not timely and properly complete a request for
27 exclusion. The Class Action Administrator will then calculate the amount of the payment to each
28 member of the Settlement Class Members in accordance with this Stipulation. The Class Action

1 Administrator is responsible for issuing the payments and withholding all required state and
2 federal taxes in accordance with this Settlement Agreement. The Class Action Administrator
3 shall be responsible for all W-2s, IRS Form 1099s, any other applicable tax forms, notices,
4 mailings, secondary mailings if any, claims administration, and making and all payments to
5 Settlement Class Members in accordance with this Settlement Agreement.

6 62. Class Notice. Within seven (7) calendar days of the Court Order granting
7 Preliminary Approval, Defendants will provide to the Class Action Administrator a list that
8 includes the following information for each Class Member: (1) name, (2) last known address,
9 (3) telephone number, (4) Social Security Number, and (5) dates of employment (“Class Data”).
10 Within seven (7) calendar days of receiving the Class Data list, the Class Action Administrator
11 shall send via United States First Class Mail the Court-approved Class Notice of the Class
12 Action Settlement, in a form substantially similar to that attached hereto as **Exhibit 1**. The Class
13 Notice will include, among other information: (1) information regarding the Lawsuit; (2) the
14 impact on the rights of the Settlement Class Members if they do not opt-out; (3) information to
15 the Settlement Class Members regarding how to opt-out of the Class; (4) information to the
16 Settlement Class Members regarding how to object to the settlement; (5) the particular
17 Settlement Class Member’s specific number of Qualifying Pay Periods; (6) the amount of Class
18 Counsel’s requested attorneys’ fees and costs; (7) the amount of Plaintiff’s requested Service
19 Enhancement Award, and; (8) the administration fees to be paid to Class Action Administrator.

20 63. Returned Settlement Class Member Notice. For each Settlement Class Member
21 whose Notice is returned, there will be one skip trace by the Class Action Administrator, via an
22 approved method, using a Social Security number, which shall be provided by Defendants. One
23 supplemental Notice may be mailed to each Settlement Class Member whose Notice is returned
24 as undeliverable to the Class Action Administrator within five (5) business days of the Class
25 Action Administrator receiving notice that the mail was undeliverable. Any requests by the
26 Class Action Administrator for documents or information from Defendants must be responded to
27 within a reasonable amount of time by Class Counsel and counsel for Defendants. It is the intent
28 of the Parties that reasonable means be used to locate the Settlement Class Member and apprise

1 them of their rights.

2 64. Opt-Out Period. Subject to Court approval, the Settlement Class Members shall
3 have thirty (30) calendar days (referred to hereafter as the “Opt-Out Period”) from the date that
4 the Class Action Administrator mails the Notice to them to postmark a written request for
5 exclusion from the settlement, to be returned by mail or facsimile to the Class Action
6 Administrator. Settlement Class Members for whom a notice must be re-mailed will be provided
7 an additional fifteen (15) calendar days for a total Opt-Out Period of forty-five days (45).
8 Requests for exclusion postmarked after the close of the Opt-Out Period will not be honored.
9 Any Settlement Class Member on active military service may request for exclusion for up to
10 eighteen (18) months from the original mailing date of the Notice. Additional time may be
11 provided to a member of the Settlement Class to request exclusion upon a showing of good cause
12 as determined by the Court. All Parties and their counsel will not encourage any Settlement Class
13 Members to submit request exclusion.

14 65. Deficient Requests for Exclusion. If a Settlement Class Member submits a
15 Deficient request for exclusion, the Class Action Administrator shall notify the Settlement Class
16 Member of the deficiency within five (5) business days of receipt. The Settlement Class
17 Member shall have until five (5) calendar days following the receipt of such notification to cure
18 said deficiencies, at which point his or her request will be rejected if not received.

19 66. Challenges to Settlement Class Member’s Employment Data. In calculating each
20 individual Qualified Settlement Class Member’s share of the settlement, Defendants’ records
21 regarding the employment tenure of Settlement Class Members shall be presumed to be correct.
22 Settlement Class Members who challenge Defendants’ records must submit a challenge in
23 writing to the Class Action Administrator and will bear the burden of proof, *i.e.*, a Settlement
24 Class Member who fails to provide written documentation supporting a different number of
25 Qualifying Pay Periods will have his or her challenge denied. All such challenges must be
26 received within fourteen (14) calendar days following the conclusion of the Opt-Out Period.
27 Defendants will investigate the challenge and determine whether any correction to the number of
28 Qualifying Work Weeks for the Settlement Class Member making the challenge should be made.

1 In no case will a challenge to the number of Qualifying Work Weeks result in a payment by
2 Defendants in excess of the Maximum Settlement Amount.

3 67. Releases. Qualified Settlement Class Members are subject to the Qualified
4 Settlement Class Member Released Claims as defined in this Settlement. Settlement Class
5 Members who do not submit a valid and timely request for exclusion shall consent to the release
6 of all Released Claims, as defined herein. The Class Representative is also subject to the Class
7 Representative Released Claims as defined in this Settlement.

8 68. Objections to Settlement. The Settlement Class Members shall be given the
9 opportunity to object to the terms of the Stipulation and/or requests for Class Counsel's
10 attorneys' fees and costs and to participate at the final fairness and approval hearing, in
11 accordance with the instructions set forth in the Notice. No objecting Settlement Class Members
12 shall be required to appear at the final approval hearing to maintain their objections. All
13 objections to the Settlement by any Settlement Class Member must be received by the Class
14 Action Administrator and served upon all counsel of record for the Parties by no later than seven
15 (7) calendar days following the conclusion of the Opt-Out Period. This deadline applies
16 notwithstanding any argument regarding alleged non-receipt of the Class Notice. Any Settlement
17 Class Member who fails to file and serve timely written objections in this manner shall be
18 deemed to have waived any objections and shall be foreclosed from making any objection to the
19 Settlement and from filing any appeal from any Final Approval order issued by the Court.
20 Settlement Class Members who timely and validly complete and submit requests for exclusion
21 shall have no right to object and shall be foreclosed from making any objection to the Settlement.

22 69. Response to Objections. The Parties may file a response to any objections
23 submitted by objecting Settlement Class Members no later fourteen (14) business days after the
24 Parties receive notice of the objection.

25 **X. QUALIFIED SETTLEMENT FUND PAYMENTS**

26 70. Within three (3) calendar days from entry of the order granting Final Approval of
27 the Settlement, Class Counsel will provide a copy of the order to the Claims Administrator.
28

1 **XI. CIRCULAR 230 DISCLAIMER**

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

16 **XII. MISCELLANEOUS PROVISIONS**

17 72. Drafting. The Parties hereto agree that the terms and conditions of this Settlement
18 Agreement are the result of negotiations between the Parties and that neither Party shall be
19 considered the "drafter" of this Stipulation of Settlement for purposes of having terms construed
20 against that Party.

21 73. Binding Upon Successors and Assigns. This Agreement shall be binding upon,
22 and inure to the benefit of the successors or assigns of the Parties hereto and the Released Parties
23 as defined herein.

24 74. Date of Payment and Distribution. In no event shall there be any distributions or
25 payments from the Maximum Settlement Amount to Class Counsel, Plaintiffs, Qualified
26 Settlement Class Members, or any other person until after the Effective Date.

27 75. Uncashed Settlement Checks. Any settlement checks that remain uncashed one
28 hundred and eighty (180) or more calendar days after issuance by the Class Action Administrator

1 shall have their values be redistributed by the Class Administrator towards those Class Members
2 who have cashed their Settlement Checks.

3 76. Cy Pres. The Parties acknowledge that California Civil Procedure Code section
4 384 and the Doctrine of *Cy Pres* are not applicable to this Settlement because the terms of this
5 Settlement Agreement expressly provide for the disposition of the entire Maximum Settlement
6 Amount, whether claimed or unclaimed. The Parties have expressly elected not to create a
7 common fund by this Settlement.

8 77. Cooperation. The Parties agree to cooperate fully with one another to accomplish
9 and implement the terms of this Settlement. The Parties to this Agreement shall use their best
10 efforts, including all efforts contemplated by this Agreement and any other efforts that may
11 become necessary by Court order, or otherwise, to effectuate this Settlement Agreement and the
12 terms set forth herein. The Parties agree that they will cooperate and use their best efforts to
13 promptly draft, finalize, and execute the settlement documents. In the event the Parties are
14 unable to reach agreement on the form or content of any document or action needed to
15 implement the terms of this Agreement or to otherwise effectuate the terms of this Settlement,
16 the Parties may seek the assistance of the Court to resolve such disagreement.

17 78. No Retaliation. Defendants understands its legal obligation not to retaliate against
18 Qualified Settlement Class Members for their participation and/or election to participate in the
19 benefits to be afforded any of them by the Settlement.

20 79. Representations and Warranties. Plaintiff hereby represents and warrants that as
21 of the date of this Stipulation, he is not aware of and has no knowledge of any other claims or
22 injuries that he or any other current or former employee of Defendants has or intends to file
23 against Defendants for damage, injury, or injunctive relief against Defendants.

24 80. Extensions of Time. If either Party cannot reasonably comply with an obligation
25 under this Settlement Agreement by the deadline set forth herein applicable to that obligation,
26 that Party may apply to the Court for a reasonable extension of time to fulfill that obligation.
27 Consent to such a request for an extension will not be unreasonably withheld by the other Party.

28 81. Notices. Unless otherwise specifically provided herein, all notices, demands, or

other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States certified mail, return receipt requested, addressed as follows:

To the Plaintiff Class:

LOYR, APC

Young W. Ryu, Esq.

Alexander D. Wallin, Esq.

Sarah H. Cohen, Esq.

3130 Wilshire Blvd., Suite 209

Los Angeles, California 90010

To the Defendants:

James Artiano

Joanne K. Leighton

ARTIANO & ASSOCIATES, APC

3828 Carson Street, Suite 102

Torrance, CA 90503

Voice: (310) 543-1240

Fax: (310) 543-9850

82. Modification. This Agreement may not be changed, altered, or modified, except in writing signed by counsel for the Parties hereto and approved by the Court. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

83. Governing Law. The rights and obligations of the parties hereunder shall be construed and enforced in accordance with, and shall be governed by, the laws of the State of California, without regard to principles of conflict of laws.

84. Counterparts. Because the members of the Stipulated Class are numerous, the Parties agree that it is impossible or impractical to have each Stipulated Class Member sign this Stipulation. It is agreed that, for purposes of seeking Court approval of the Settlement, this Stipulation of Settlement may be executed on behalf of the proposed Class by Class Counsel and Plaintiff and shall have the same force and effect as if it has been signed by each Stipulated Class Member. The Class Notice will advise Stipulated Class Members of the binding nature of the releases contained herein, and this Agreement shall have the same force and effect as if this Agreement were executed by each Stipulated Class Member. The Parties may execute this

1 Settlement Agreement in any number of counterparts, and a facsimile signature shall have the
2 same force and effect as an original.

3 85. Exhibits. The terms of this Agreement include the terms set forth in the attached
4 exhibits, which are incorporated by this reference as though fully set forth herein.

5 86. Authority. Each attorney signing below represents that he or she has been
6 authorized to execute this Stipulation of Settlement on behalf of the attorney's respective
7 client(s).

8 87. Titles and Captions of No Force. Paragraph titles or captions contained herein are
9 inserted for convenience and ease of reference, and do not define, limit, extend, or describe the
10 scope of the terms of the Agreement and its provision.

11 88. Invalid Without Court Approval. This Agreement is subject to approval by the
12 Court. In the event the Settlement is not approved, it shall be deemed null and void, of no force
13 and effect, and the Parties represent, warrant, and covenant that in such event it will not be
14 admitted in the Action as an admission, as evidence, or used for any other purpose in the Action.

15 89. No Tax Advice. Nothing contained herein constitutes legal advice regarding the
16 taxability of any amounts paid in connection with the Settlement, nor should anything contained
17 herein be relied upon as such advice.

18 90. Court Jurisdiction. The Parties agree that upon the occurrence of the Effective
19 Date, this Agreement shall be enforceable by the Court and the Court shall retain jurisdiction
20 over the Parties and the Stipulated Class Members to enforce the terms, conditions and
21 obligations of the Agreement.

22 91. Escalator Clause: Defendants estimate that the total workweeks worked by
23 putative class members from May 15, 2016 to December 20, 2021 is 26,000. In the event that the
24 number of workweeks in the Class Period is determined to be more than 10% higher than 26,000
25 (i.e., more than 28,600), the Gross Settlement Amount will increase pro rata based on the number
26 of workweeks over 26,000.

27
28 IN WITNESS WHEREOF, this Stipulation of Settlement is executed by the Parties and

their duly authorized attorneys, as of the day and year herein set forth.

Dated: 2/16/2022

LOYR, APC

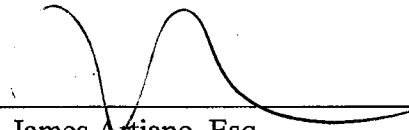


By: _____

Young W. Ryu, Esq.
Henna H. Choi, Esq.
Sarah H. Cohen, Esq.
Attorneys for Plaintiffs

Dated: 2/16/22

ARTIANO & ASSOCIATES, APC

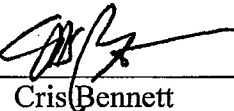


By: _____

James Artiano, Esq.
Joanne K. Leighton, Esq.
Attorney for Defendants

Dated: 2/16/22

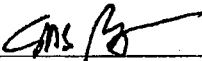
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Cris Bennett

Dated: 2/16/22

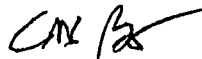
By: _____



On behalf of EAT GOOD STUFF, INC.

Dated: 2/16/22

By: _____



On behalf of CB STUFF, INC.

Dated: 2/16/22

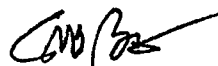
By: _____



On behalf of ITS NOT JUST A RESTAURANT, INC.

Dated: 2/16/22

By: _____

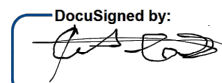


On behalf of GS SURFSIDE, INC.

Dated: 2/16/22

2/23/2022

By: _____

DocuSigned by:


Class Representative -
JOSE ADOLFO SALAZAR CERON

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Dated: 2/18/2022

Dated: 2/17/2022

DocuSigned by:
Ruben Escareno
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By: _____
Class Representative – RUBEN
ESCARENO
DocuSigned by:
Rafael Cruz
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By: _____
Class Representative – RAFAEL CRUZ

EXHIBIT 1

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Jose Adolfo Ceron Salazar et al. v. Eat Good Stuff, Inc., et al.
Superior Court, County of Los Angeles, Spring Street Courthouse
Case No. 20STCV18761

To: all individuals who have been, or currently are, employed by Defendants as “non-exempt” during the Class Period. Excluded from the Class are employees who work only administrative and managerial functions as exempt employees, at anytime from May 15, 2016 through the date that Preliminary Approval is granted. .

THIS NOTICE MAY AFFECT YOUR RIGHTS. PLEASE READ IT CAREFULLY.

You are receiving this notice because Defendants’ records indicate that you may be entitled to participate in this class action settlement.

The following recitation does not constitute the findings of the Court and should not be understood as an expression of the Court’s views on the merits of any claim or defense raised by the parties Defendants adamantly denies any and all liability. It.

I. WHY IT IS IMPORTANT TO READ THIS NOTICE:

The Superior Court of the State of California in and for the County of Los Angeles (the “Court”) has granted preliminary approval to a proposed Settlement (defined below) of a class action lawsuit regarding wage and hour claims of all individuals who are formerly and currently employed as non-exempt employees for Eat Good Stuff, Inc. and Cris Bennett from May 15, 2016 through the date of preliminary approval of the Settlement (“Class Period”).

Because your rights may be affected by the Settlement (defined below), it is important that you read this notice carefully. Defendants’ records show that you were worked for Defendants as a non-exempt employee in California, at some time from May 15, 2016 up to and including **[the date that preliminary approval is granted]**. Therefore, you are a “Class Member” in this Lawsuit.

The purpose of this Notice is to provide you with a brief description of the class action lawsuit, what investigation of the claims has taken place, and, finally, to inform you of the terms of the proposed Settlement (defined below) and to discuss your rights and options in connection with the lawsuit and the Settlement (defined below).

II. WHAT THE CASE IS ABOUT:

A former employee of Defendants made a claim against Defendants alleging that certain of Defendants’ wage and hour practices violated California law.

The claims affect any and all persons who have been, or currently are, employed by Defendants-as nonexempt employees at any time from May 15, 2016 up to and including **[the date that preliminary approval is granted]**. On behalf of themselves and on behalf of other employees of Defendants, Jose Adolfo Ceron Salazar, Ruben Escareno, Rafael Cruz ("Class Representatives" or "Plaintiffs") claim that Defendants failed to comply with California wage and hour laws including, but not limited to: (1) Failure to Compensate All Hours Worked In Violation of Industrial Welfare Commission Order No. 4 and Cal. Labor Code §§ 200, 226, 500, 510, 1194, 1197, and 1198; (2) Missed Meal and Rest Breaks In Violation of Cal. Labor Code §§ 200, 226.7, 512, and 12 California Code of Regulations § 11050; (3) Failure To Pay Vacation/PTO Times In Violation Of Labor Code §§ 227.3; (4) Failure To Provide Proper Wage Statement In Violation Of Cal. Labor Code § 226; (5) Failure To Pay Compensation Upon Termination Of Employment In Violation Of Cal. Labor Code §§ 201-203; (6) Violation of Labor Code § 2698, *et seq.* ("PAGA"); and (7) Violations Of Cal. B&P Code §§ 17200, *et seq.*, seeking, inter alia, damages, penalties, attorneys' fees, interest, for alleged wage and hour violations including, but not limited to, wage and hour violations, failure to provide meal and rest breaks, and failure to pay premium pay, failure to furnish accurate, itemized wage statements, failure to timely pay wages upon discharge or quit. In bringing their claims against Defendants, Plaintiffs sought to obtain, among other things, unpaid wages, interest, attorneys' fees, statutory penalties, and civil penalties on behalf of other employees of Defendants.

Defendants adamantly deny each, every, and all of the allegations of the lawsuit, and maintain that they complied with all California wage and hour laws, such that Plaintiff cannot properly recover any damages including but not limited to civil penalties under California law. Although Defendants deny these allegations, they have chosen to resolve the matter based upon the terms and conditions set forth in the Joint Stipulation of Settlement and Release ("Settlement Agreement" or "Settlement"). The Court will determine whether or not to grant final approval of this Settlement.

The Settlement provides for the certification, for settlement purposes only, of all persons who worked for Defendants as nonexempt employees at any time from May 15, 2016 up to and including **[the date that Preliminary Approval of the Stipulation is granted]**.

The terms of the Settlement are set forth more fully in the next section, but generally Defendants have agreed to pay up to \$450,000, should the Court grant final approval to the proposed Settlement.

III. THE SETTLEMENT OF THE CLAIMS:

On December 20, 2021, the parties participated in a full-day mediation in Los Angeles before the highly experienced Class Action law mediator, Steven Serratore, Esq. The parties were able to resolve the matter at mediation and agree to a settlement.

Plaintiffs and Class Counsel believe the Settlement is in the best interest of the Class.

Through this Settlement, neither Defendants nor any of their employees have admitted any liability or wrongdoing and, in fact Defendants expressly deny any wrongdoing. The Court did not decide in favor of Plaintiffs or Defendants. The Settlement Agreement has been preliminarily approved by the Court. A full copy of the Settlement Agreement, embodied in the document entitled **JOINT STIPULATION OF SETTLEMENT AND RELEASE** as preliminarily approved by the Court, as well as other public documents filed in this case, can be inspected in the Office of the Court Clerk located at 312 N. Spring Street, Los Angeles, California 90012.

IV. THE TERMS OF THE CONDITIONAL CLASS ACTION SETTLEMENT:

On behalf of the Class Members, the Class Representatives have reached a Settlement with Defendants and on [the preliminary approval date], the Court conditionally certified a class, for settlement purposes only, comprised of the following persons (collectively, the "Class"):

All individuals who have been, or currently are, employed by Defendants as "non-exempt" during the Class Period. Excluded from the Class are employees who work only administrative and managerial functions as exempt employees, at anytime from May 15, 2016 through the date that Preliminary Approval is granted

Without admitting liability, Defendants have agreed to pay \$450,000 for Settlement of the claims in this matter (the "Maximum Settlement Amount"). Class Members who do not opt out of the Class pursuant to the procedures set forth in this Notice ("Settlement Class Members") will be bound by the Settlement and will release Defendants and all Released Parties (defined below) for the Class Action Released Claims (defined below) (see below for more information).

This Settlement is conditioned upon the Superior Court of the State of California in and for the County of Los Angeles, entering an order at or following the hearing finally approving the Settlement (the "Settlement Hearing") as fair, reasonable, adequate, and in the best interests of the Settlement Class.

The following payments will be sought, subject to final approval by the Court, from the Maximum Settlement Amount of \$450,000:

- (1) Payment in the amount of \$10,000.00 incentive payment to Plaintiff Jose Adolfo Ceron Salazar, and \$5,000 each for Plaintiff Ruben Escareno and Rafael Cruz, who served as liaison between counsel and the class members, in addition to the sum that they will receive as a Settlement Class Member, to compensate them for acting on behalf of the Class, including the time they expended to fulfill the role of Class Representatives (e.g., assisting with the investigation of the claims and being involved with the settlement negotiations), and Plaintiffs' release of claims against the Released Parties;
- (2) Payment in an amount of up to \$150,000 to Class Counsel as attorneys' fees, to compensate them for their services

- (3) Payment in an amount of up to \$18,000 to Class Counsel, to reimburse Class Counsel for actual litigation costs and expenses expended in this matter by Class Counsel;
- (4) Payment in an amount of up to \$13,000.00 to the Settlement Administrator, Simpluris, Inc., for the fees and costs of administering this Settlement;
- (5) Payment in an amount of \$15,000 to the California Labor Workforce and Development Agency ("LWDA") for the State of California's share of the \$20,000 allocated as penalties pursuant to the California Labor Code Private Attorney General Act of 2004 ("PAGA") (\$5,000 of the penalties will be distributed to Class Members who are Eligible Aggrieved Employees); and

The Net Settlement Sum that is available to pay Settlement Class Members will be the Gross Settlement Sum less the above mentioned requested payments which are subject to final approval by the Court. The Net Settlement Sum is estimated to be approximately \$234,000, and will be automatically distributed to Class Members who do not opt out of this Settlement (i.e. Settlement Class Members), and these gross individual shares are known as the "Individual Settlement Amount." The Individual Settlement Amount for each Settlement Class Member shall be determined on a pro-rata basis based on the number of workweeks (in which the Class Member worked at least one (1) day) during the Class Period. Each Individual Settlement Amount shall be allocated as 10% as wages and 45% as penalties and 45% as interest. The wage portion of each Individual Settlement Amount is subject to employee's and employer's share of state and federal employment and payroll taxes and withholdings prior to distribution to Settlement Class Members.

V. WHAT IS YOUR EXPECTED SHARE:

As discussed above, the Net Settlement Sum will be automatically distributed to Class Members who do not opt out of this Settlement, based on their respective number of workweeks.

Defendants' records reflect that you worked [insert number of workweeks] workweeks during the Class Period, and based on this number of workweeks, your gross Individual Settlement Amount is estimated to be [insert estimated amount].

The amount stated herein as your estimated Individual Settlement Amount may change depending on the number of Class Members who do not opt-out and the Court's order with respect to the requests for attorneys' fees, litigation costs and expenses, awards to class representative, administration expenses, and PAGA payment. Further, as discussed above, your gross Individual Settlement Amount will be allocated as one-third wages (reported on an IRS Form W-4), one-third interest (reported on an IRS Form 1099), and one-third penalties (reported on an IRS Form 1099). The wage portion is subject to employee's and employer's share of state and federal employment and payroll taxes and withholdings prior to distribution.

In addition, \$5000 of the PAGA penalties will be allocated as follows. Each Class Member who is an Eligible Aggrieved Employee, shall receive a portion of the \$5000 of

the PAGA penalties proportionate to the number of pay periods that he or she worked during the PAGA Period ("PAGA Period" means the period from May 15, 2019 to the Court's preliminary approval of the settlement agreement), and which will be calculated by multiplying the \$5,000 by a fraction, the numerator of which is the Eligible Aggrieved Employee's number of pay periods worked during this time period, and the denominator of which is the total number of pay periods worked by all Eligible Aggrieved Employees during this time period. A Class Member is an "Eligible Aggrieved Employee" if he/she worked for Defendants in California during the PAGA Period.

Settlement checks will be valid for 180 days, and any settlement checks that remain uncashed one hundred and eighty or more calendar days after issuance by the Class Action Administrator shall have their values be redistributed by the Class Administrator towards those Class Members who have cashed their Settlement Checks

VI. WHAT YOU NEED TO DO IN RESPONSE TO THIS NOTICE:

You have received this Notice because Defendants' records indicate that you are a member of the conditionally certified Class. You have the following four options:

- 1. IF YOU WISH TO PARTICIPATE IN THE CLASS ACTION SETTLEMENT AND REMAIN A MEMBER OF THE SETTLEMENT CLASS AND BE ISSUED A PAYMENT UNDER THE SETTLEMENT (or in the event of a deceased Class Member, the estate or authorized beneficiary), YOU ARE NOT REQUIRED TO TAKE ANY FURTHER ACTION.** You will be issued payment if the Court grants final approval to the Settlement and Judgment becomes final, and you will release the Released Parties for the Released Claims (see next section for definition of "Released Claims" and "Released Parties"). If you wish to receive a payment under the Settlement, you must NOT "Opt Out" of the Settlement. **To ensure receipt of your payment, you must make sure that your correct mailing address is on file with the Settlement Administrator.** Pursuant to California Rule of Court 3.766(d)(5), Class Members have the option to enter an appearance in the Litigation at their own expense by obtaining their own attorney(s). Class Members who choose this option will be responsible for any attorneys' fees or costs incurred as a result of this election.
- 2. YOU MAY ELECT TO "OPT OUT" OF THE SETTLEMENT CLASS AND THUS EXCLUDE YOURSELF FROM THE SETTLEMENT INCLUDING: (1) RECEIVING THE ASSOCIATED INDIVIDUAL SETTLEMENT AMOUNT PAYMENT; AND (2) THE ASSOCIATED RELEASE OF CLAIMS AND STIPULATED JUDGMENT.** If you wish to exercise this option, you must mail to the Settlement Administrator an Opt Out request, in writing and signed, which clearly states that the Class Member wishes to be excluded from the Settlement of *Jose Adolfo Ceron Salazar et al. v. Eat Good Stuff, Inc., et al.*, Case No. 20STCV18761, to the following address: XXXXXXXX, and is postmarked on or before the [Opt Out Response Deadline]. If a timely and complete Opt Out

request is not received by the Settlement Administrator postmarked on or before the [Opt Out Response Deadline], you will be deemed to have forever waived your right to opt out of the Settlement Class. Class Members who do not properly opt out of the Settlement shall be Members of the Settlement Class. Class Members who do properly opt out of the Settlement shall not be bound by the terms of the Settlement, shall not be allowed to object to this Settlement, and shall not be entitled to any benefits as a result of this Settlement, including payment of any Individual Settlement Amount except for their share (if any) of the \$5,000 PAGA penalties.

3. **FINALLY, PROVIDED YOU DO NOT OPT OUT OF THE SETTLEMENT CLASS, YOU MAY OBJECT TO THE SETTLEMENT.** You may object to the Settlement by filing written objections with the Court and serving a copy on the Settling Parties by submitting the copy to the Claims Administrator, postmarked on or before [insert Objection Deadline], to the following address: XXXXXXXXXX. The written objection must be signed and dated, state the Class Member's name, dates of employment as Defendants' employee, the case name and number (*Jose Adolfo Ceron Salazar et al. v. Eat Good Stuff, Inc., et al.*, Case No. 20STCV18761), that you wish to object to the Settlement, and the basis for the objection. If any objecting Class Member wishes to speak at the Settlement Hearing, that Class Member's written objection should include a request to speak at the Settlement Hearing. The Settling Parties will request that the Court determine whether Class Members who submit timely objections will be permitted to speak.

If you take no action, you will remain a member of the Settlement Class. A Class Member who does not opt out of participation in the Settlement will be bound by the Judgment and be issued payment under the Settlement, with a copy of the final judgment. If you remain a member of the Settlement Class, you will be represented by the attorneys for Plaintiff, who has been designated by the Court as Class Counsel:

Young W. Ryu (State Bar No. 266372)
LOYR, APC
3130 Wilshire Blvd, Suite 209
Los Angeles, CA 90010
Telephone: (888) 365-8686

VII. RELEASE OF CLAIMS OF SETTLEMENT CLASS MEMBERS:

If the Court grants final approval of the Settlement, Class Members who do not Opt Out of the Settlement will be subject to the Judgment rendered by the Court pursuant to the Settlement Agreement and be precluded from bringing Released Claims in the future for the period from May 15, 2016 up to and including **[the date that Preliminary Approval of the Stipulation is granted.]**.

Specifically, after final approval by the Court, the Settlement will fully release and discharge all Class Action Released Claims (as defined below) of Settlement Class

Members against Defendants and each of its respective past, present and future parent companies, subsidiaries, affiliates, current and former management companies, shareholders, members, agents accountants, insurers, reinsurers, claims administrators, attorneys and any past, present or future owners, officers, directors and employees, predecessors, successors, or assigns thereof, National Transmission Products, LLC and TETL Holding, LLC ("Released Parties").

"Class Action_Released Claims" shall mean any and all claims alleged in the First Amended Complaint or which could have been alleged in the First Amended Complaint based on the factual allegations alleged therein, including, but not limited to causes of action for (1) Failure to Compensate All Hours Worked In Violation of Industrial Welfare Commission Order No. 4 and Cal. Labor Code §§ 200, 226, 500, 510, 1194, 1197, and 1198; (2) Missed Meal and Rest Breaks In Violation of Cal. Labor Code §§ 200, 226.7, 512, and 12 California Code of Regulations § 11050; (3) Failure To Pay Vacation/PTO Times In Violation Of Labor Code §§ 227.3; (4) Failure To Provide Proper Wage Statement In Violation Of Cal. Labor Code § 226; (5) Failure To Pay Compensation Upon Termination Of Employment In Violation Of Cal. Labor Code §§ 201-203; (6) Violation of Labor Code § 2698, *et seq.* ("PAGA"); and (7) Violations Of Cal. B&P Code §§ 17200, *et seq.* seeking, inter alia, damages, penalties, attorneys' fees, interest, for alleged wage and hour violations including, but not limited to, wage and hour violations, failure to provide meal and rest breaks, and failure to pay premium pay, failure to furnish accurate, itemized wage statements, failure to timely pay wages upon discharge or quit. The Class consists of all persons who have been, or currently are, employed by Defendants as "non-exempt" during the Class Period. Excluded from the Class are employees who work only administrative and managerial functions as exempt employees.

Upon the Effective Date, the Class Representative Plaintiffs and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged the Released Parties of all Class Action_Released Claims applicable to each of them arising during the Class Period.

Plaintiffs and all Class Members who were employed by Defendants in California as non-exempt employees during the PAGA Period, will not have the opportunity to opt out or object to the PAGA penalties amount or opt-out of the release of the PAGA Released claims, although the release of PAGA claims will be subject to Court approval. Such Class Members and the State of California will be forever barred from filing claims for penalties under PAGA.

VIII. THE NEXT STEP:

The Settlement Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at on XXXXXX, 2022 in Department SSC11 of the Los Angeles County Courthouse located at 312 N. Spring Street, Los Angeles, California 90012. **You are not required to attend the Settlement Hearing, although any Class Member is welcome to attend the hearing.**

IX. HOW TO OBTAIN ADDITIONAL INFORMATION:

This Notice is only a summary of the class action lawsuit and the associated Settlement. For more information, you may inspect the Court files and the Settlement Agreement at the Los Angeles County Superior Court, located at 312 N. Spring Street, Los Angeles, California 90012 during regular court hours.

You may contact Class Counsel for more information: Young W. Ryu, LOYR, APC, 3130 Wilshire Blvd, Suite 209, Telephone: (888) 365-8686. You may also contact the Class Administrator, Simpluris, Inc. at [] if you have any questions.

PLEASE DO NOT CALL OR WRITE TO THE COURT ABOUT THIS NOTICE.