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Attorneys for Plaintiffs

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO**

ALICIA ORTEGA, BRYAN SHEPPARD,
individually, and on behalf of other members
of the general public similarly situated and on
behalf of other aggrieved employees pursuant
to the California Private Attorneys General
Act; SHANTEANNA BROWN,
RAYVEYONE BROWN, individually, and
on behalf of other members of the general
public similarly situated;

Plaintiffs,

vs.

SMARTGUARD, INC., a California
corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: 34-2020-00278712-CU-OE-GDS

Honorable Lauri A. Damrell
Department 28

CLASS ACTION

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Reservation No. 2699096
Date: February 3, 2023
Time: 9:00 a.m.
Department: 28

Complaint Filed: May 15, 2020
FAC Filed: October 19, 2021
Trial Date: None Set

1 This matter has come before the Honorable Lauri A. Damrell in Department 28 of the
2 Superior Court of the State of California, for the County of Sacramento, on February 3, 2023 at 9:00
3 a.m. for Plaintiffs' Motion for Preliminary Approval of Class Action Settlement. Lawyers for
4 Justice, PC appears as counsel for Plaintiffs Alicia Ortega, Bryan Sheppard, Shanteanna Brown, and
5 Rayveyone Brown ("Plaintiffs"), individually and on behalf of all others similarly situated and other
6 aggrieved employees and Palmer Kazanjian Wohl Hodson LLP appear as counsel for Defendant
7 Smartguard, Inc. ("Defendant").

8 The Court, having carefully considered the papers, argument of counsel, and all matters
9 presented to the Court, and good cause appearing, hereby GRANTS Plaintiffs' Motion for
10 Preliminary Approval of Class Action Settlement.

11 **IT IS HEREBY ORDERED THAT:**

12 1. The Court preliminarily approves the Class Action and Private Attorneys General
13 Act Settlement Agreement and Release ("Settlement," "Agreement," or "Settlement Agreement"),
14 attached as "EXHIBIT 1" to the Declaration of Annabel Blanchard in Support of Plaintiffs' Motion
15 for Preliminary Approval of Class Action Settlement. This is based on the Court's determination
16 that the Settlement falls within the range of possible approval as fair, adequate, and reasonable.

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

20 3. It appears to the Court on a preliminary basis that the Settlement is fair, adequate
21 and reasonable. It appears to the Court that extensive investigation and research have been
22 conducted such that counsel for the parties at this time are able to reasonably evaluate their respective
23 positions. It further appears to the Court that the Settlement, at this time, will avoid substantial
24 additional costs by all parties, as well as avoid the delay and risks that would be presented by the
25 further prosecution of the case. It further appears that the Settlement has been reached as the result
26 of intensive, serious and non-collusive, arms-length negotiations, and was entered into in good faith.

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1 4. The Court preliminarily finds that the Settlement, including the allocations for the
2 Attorneys' Fees and Costs, Enhancement Payments, PAGA Penalties, Settlement Administration
3 Costs, and payments to the Settlement Class Members and Aggrieved Employees provided thereby,
4 appear to be within the range of reasonableness of a settlement that could ultimately be given final
5 approval by this Court. Indeed, the Court has reviewed the monetary recovery that is being granted
6 as part of the Settlement and preliminarily finds that the monetary settlement awards made available
7 to the Class Members and Aggrieved Employees are fair, adequate, and reasonable when balanced
8 against the probable outcome of further litigation relating to certification, liability, and damages
9 issues.

10 5. The Court concludes that, for settlement purposes only, the proposed Class meets
11 the requirements for certification under section 382 of the California Code of Civil Procedure in
12 that: (a) the Class is ascertainable and so numerous that joinder of all members of the Class is
13 impracticable; (b) common questions of law and fact predominate, and there is a well-defined
14 community of interest amongst the members of the Class with respect to the subject matter of the
15 litigation; (c) Plaintiffs' claims are typical of the claims of the members of the Class; (d) Plaintiffs
16 will fairly and adequately protect the interests of the members of the Class; (e) a class action is
17 superior to other available methods for the efficient adjudication of the controversy; and (f) Class
18 Counsel is qualified to act as counsel for Plaintiffs in their individual capacities and as the
19 representatives of the Class.

20 6. The Court conditionally certifies, for settlement purposes only, the Class, defined as
21 follows:

22 All current and former hourly-paid or non-exempt employees of Defendant,
23 employed in California at any time during the period from May 15, 2016, through
 March 31, 2021.

24 7. The Court provisionally appoints Lawyers *for* Justice, PC as counsel for the Class
25 ("Class Counsel").

26 8. The Court provisionally appoints Plaintiffs Alicia Ortega, Bryan Sheppard,
27 Shanteanna Brown, and Rayveyone Brown as the representatives of the Class ("Class
28 Representatives").

1 9. The Court provisionally appoints ILYM Group (“ILYM Group”) to handle the
2 administration of the Settlement (“Settlement Administrator”).

3 10. Within fourteen (14) calendar days of the date of this Order, Defendant shall provide
4 to the Settlement Administrator in Excel spreadsheet form the full name, last known mailing address,
5 Social Security number, and start and end dates of employment as an hourly-paid or non-exempt
6 employee in California during the Class Period for each Class Member, and such other information
7 as is necessary to calculate Workweeks and PAGA Workweeks as determined by the Settlement
8 Administrator (“Class List”), in conformity with the Settlement Agreement.

9 11. The Court approves, both as to form and content, the Notice of Class Action
10 Settlement (“Class Notice”) attached hereto as “**EXHIBIT A.**” The Class Notice shall be provided
11 to Class Members in the manner set forth in the Settlement Agreement. The Court finds that the
12 Class Notice appears to fully and accurately inform the Class Members of all material elements of
13 the Settlement, of Class Members’ right to be excluded from the Settlement by submitting a Request
14 for Exclusion, of Class Members’ right to dispute the Workweeks credited to each of them, and of
15 each Settlement Class Member’s right and opportunity to object to the Settlement by submitting an
16 Objection. The Court further finds that distribution of the Class Notice substantially in the manner
17 and form set forth in the Settlement Agreement and this Order, and that all other dates set forth in
18 the Settlement Agreement and this Order, meet the requirements of due process and shall constitute
19 due and sufficient notice to all persons entitled thereto. The Court further orders the Settlement
20 Administrator to mail the Class Notice by First-Class U.S. mail to all Class Members within seven
21 (7) calendar days of receipt of the Class List, pursuant to the terms set forth in the Settlement
22 Agreement.

23 12. The Court hereby preliminarily approves the proposed procedure, set forth in the
24 Settlement Agreement, for seeking exclusion from the Settlement. Any Class Member may choose
25 to be excluded from the Class Settlement by submitting a timely written Request for Exclusion in
26 conformity with the requirements set forth in the Class Notice, to the Settlement Administrator,
27 postmarked no later than the date which is forty-five (45) calendar days from the initial mailing of
28 the Class Notice to Class Members (“Response Deadline”), or, in the case of a re-mailed Class

1 Notice, the Response Deadline will be the later of either fifteen (15) calendar days from the date of
2 the re-mailing or the original forty-five (45) calendar day deadline. Any such person who timely
3 and validly chooses to opt out of, and be excluded from, the Class Settlement will not be entitled to
4 an Individual Settlement Share and will not be bound by the Class Settlement or have any right to
5 object, appeal, or comment thereon; however, if a Class Member is also an Aggrieved Employee, he
6 or she will nevertheless be bound to the PAGA Settlement and will receive their Individual PAGA
7 Payment, irrespective of whether they submit a Request for Exclusion. Class Members who have
8 not submitted a valid and timely request to be excluded from the Settlement will be deemed a
9 Settlement Class Member and will be bound by the Class Settlement if the Settlement is granted
10 final approval by the Court.

11 13. A Final Approval Hearing shall be held before this Court on
12 _____ at _____ a.m./p.m. in
13 Department 28 of the Sacramento County Superior Court, located on the 4th floor of the Gordon D.
14 Schaber Sacramento County Courthouse, 720 9th Street, Sacramento, California 95814, to determine
15 all necessary matters concerning the Settlement, including: whether the proposed settlement of the
16 action on the terms and conditions provided for in the Settlement is fair, adequate, and reasonable
17 and should be finally approved by the Court; whether a judgment, as provided in the Settlement,
18 should be entered herein; whether the plan of allocation contained in the Settlement should be
19 approved as fair, adequate, and reasonable to the Class Members; and determine whether to finally
20 approve the requests for the Attorneys' Fees and Costs, Enhancement Payments, and Settlement
21 Administration Costs.

22 14. Class Counsel shall file a motion for final approval of the Settlement and for
23 Attorneys' Fees and Costs, Enhancement Payments, and Settlement Administration Costs, along
24 with the appropriate declarations and supporting evidence, including the Settlement Administrator's
25 declaration, by _____, to be heard
26 at the Final Approval Hearing.

27 15. To object to the Settlement, a Settlement Class Member may serve the Settlement
28 Administrator with a written Objection on or before the Response Deadline. The Objection must be

1 signed by the Settlement Class Member and contain all necessary information, in conformity with
2 the requirements set forth in the Class Notice, including and not limited to the grounds for the
3 objection. Settlement Class Members may also present their objection orally at the Final Approval
4 Hearing, whether or not they have submitted a written Objection.

5 16. The Settlement is not a concession or admission, and shall not be used against
6 Defendant as an admission or indication with respect to any claim of any fault or omission by
7 Defendant. Whether or not the Settlement is finally approved, neither the Settlement, nor any
8 document, statement, proceeding or conduct related to the Settlement, nor any reports or accounts
9 thereof, shall in any event be construed as, offered or admitted into evidence as, received as or
10 deemed to be in evidence for any purpose adverse to the Defendant, including, but not limited to,
11 evidence of a presumption, concession, indication or admission by Defendant of any liability, fault,
12 wrongdoing, omission, concession, or damage, except for legal proceedings concerning the
13 implementation, interpretation, or enforcement of the Settlement.

14 17. In the event the Settlement does not become effective in accordance with the terms
15 of the Settlement Agreement, or the Settlement is not finally approved, or is terminated, cancelled
16 or fails to become effective for any reason, this Order shall be rendered null and void, shall be
17 vacated, and the Parties shall revert back to their respective positions as of before entering into the
18 Settlement Agreement.

19 18. The Court reserves the right to adjourn or continue the date of the Final Approval
20 Hearing and any dates provided for in the Settlement Agreement without further notice to the Class
21 Members and Aggrieved Employees, and retains jurisdiction to consider all further applications
22 arising out of or connected with the Settlement.

23 **IT IS SO ORDERED.**

24
25 Dated: _____

By: _____

The Honorable Lauri A. Damrell
Judge of the Superior Court

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Ortega, et al. v. Smartguard Inc.
Superior Court of California for the County of Sacramento
Case No. 34-2020-00278712-CU-OE-GDS

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendants' records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the class settlement, object to the class settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiffs Alicia Ortega, Bryan Sheppard, Shanteanna Brown and Rayveyone Brown ("Plaintiffs") and Defendant Smartguard Inc., ("Defendant") (Plaintiffs and Defendant are collectively referred to as the "Parties") in the case entitled) *Ortega, et al., v. Smartguard Inc.*, Superior Court of California for the County of Sacramento Case No. 34-2020-00278712-CU-OE-GDS ("Action"). The settlement may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Aggrieved Employees" means all current and former hourly-paid or non-exempt employees of Defendant, employed in California at any time during the PAGA Period.

"Class" means all current and former hourly-paid or non-exempt employees of Defendant, employed in California at any time during the Class Period.

"Class Member" means an individual member of the Class.

"Class Period" means the time period from May 15, 2016, through March 31, 2021.

"Class Settlement" means the settlement and resolution of all "Class Released Claims."

"PAGA Period" means the time period from March 3, 2019, through March 31, 2021

"PAGA Settlement" means the settlement and resolution of "PAGA Released Claims."

II. BACKGROUND OF THE LAWSUIT

On March 3, 2020, Plaintiff Alicia Ortega provided written notice by online submission ("Ortega LWDA Notice") to the California Labor and Workforce Development Agency ("LWDA"), and by certified mail to Defendant of alleged violations of the California Labor Code and the Industrial Welfare Commission ("IWC") Wage Orders.

On May 15, 2020, Plaintiff Alicia Ortega commenced a putative class action lawsuit by filing the Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. against Defendant Smartguard Inc., in the Sacramento County Superior Court, Case No. 34-2020-00278712 ("Action").

On June 3, 2021, Plaintiff Bryan Sheppard provided written notice by online submission ("Sheppard LWDA Notice") LWDA, and by certified mail to Defendant of alleged violations of the California Labor Code and the IWC Wage Orders.

On October 19, 2021, Plaintiffs filed a First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (“Operative Complaint”), adding named Bryan Sheppard, Shanteanna Brown, and Rayveyone Brown to the Action as additional representative plaintiffs.

Plaintiffs allege that Defendant violated the California Labor Code by failing to properly pay minimum and overtime wages, failing to provide compliant meal and rest breaks and associated premiums, failing to timely pay wages during employment and upon termination of employment and associated waiting-time penalties, failing to provide accurate wage statements, failing to keep requisite payroll records, and failing to reimburse business expenses, and thereby engaged in unfair business practices and conduct that is in violation of California Business & Professions Code section 17200, *et seq.*, and engaged in conduct that gives rise to civil penalties under PAGA. Plaintiffs seek, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs.

Defendant denies all of the allegations in the Action or that it violated any law.

The Parties participated in a full-day mediation session with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into the Class Action and Private Attorneys General Act Settlement Agreement and Release (“Settlement,” “Agreement,” or “Settlement Agreement”).

On [date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed ILYM Group, Inc., as the administrator of the Settlement (“Settlement Administrator”), Plaintiffs Alicia Ortega, Bryan Sheppard, Shanteanna Brown, and Rayveyone Brown as the representatives of the Class (“Class Representatives”), and the following Plaintiffs’ attorneys as counsel for the Class (“Class Counsel”):

Edwin Aiwazian
Arby Aiwazian
Joanna Ghosh
Annabel Blanchard
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020
Fax: (818) 265-1021

If you are a Class Member, you do not need to take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Section III below.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by the Defendant that the claims in the Action have merit or that the Defendant has any liability to Plaintiffs or to Class Members. Plaintiffs and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of Class Members. The Court has made no ruling on the merits of the Class Members’ claims and has determined only that certification of the Class for settlement purposes is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The Gross Settlement Amount is One Million Four Hundred Thousand Dollars (\$1,400,000.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Settlement Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) Attorney Fees and Costs, consisting of attorneys’ fees in an amount not to exceed 35% of the Gross Settlement Amount (i.e., \$490,000.00) and reimbursement of litigation costs and expenses in an amount not to exceed Forty Thousand Dollars (\$40,000.00) to Class Counsel; (2) Enhancement Payments in an amount not to exceed Ten Thousand Dollars (\$10,000.00) each to Plaintiffs for their services in the Action;

(3) payment to the California Labor and Workforce Development Agency (“LWDA”) in the amount of One Hundred Twelve Thousand Five Hundred Dollars (\$112,500.00) for its 75% portion of the PAGA Penalties (“LWDA Payment”) and the remaining 25%, or Thirty-Seven Thousand Five Hundred Dollars (\$37,500.00), will be distributed to the Aggrieved Employees on a *pro rata* basis, based on their Workweeks during the PAGA Period (i.e., “Individual PAGA Payment”); and (4) Settlement Administration Costs in an amount not to exceed Twenty-Five Thousand Dollars (\$25,000.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of Workweeks worked by each Settlement Class Member as an hourly-paid or non-exempt employee of Defendant in California during the Class Period (“Workweeks”), which will be calculated by the Settlement Administrator by determining the total number of days between hire and termination date provided for each employee, dividing this number by seven (7), and then rounding the product up to the nearest whole number if it is not already a whole number.

The Settlement Administrator has divided the final Net Settlement Amount by the Workweeks of all Settlement Class members to yield the “Final Workweek Value,” and multiplied each Settlement Class Member’s individual Workweeks by the Final Workweek Value to yield his or her Individual Settlement Share (which is listed in Section III.C below). Class Members who do not submit a valid and timely Request for Exclusion (“Settlement Class Members”) will be issued payment of their final Individual Settlement Payment.

Aggrieved Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the 25% portion of the PAGA Employee Amount attributed to Aggrieved Employees, i.e., \$37,500.00, (“Individual PAGA Payment”) based on the number of Workweeks worked by each Aggrieved Employee as an hourly-paid or non-exempt employee of Defendant in California during the PAGA Period (“PAGA Workweeks”), which will be calculated by the Settlement Administrator by determining the total number of days between hire and termination date provided for each employee, dividing this number by seven (7), and then rounding the product up to the nearest whole number if it is not already a whole number.

The Settlement Administrator has divided the PAGA Employee amount by the total number of PAGA Workweeks worked by all Aggrieved Employees to produce a “Weekly PAGA Value,” then multiplied the Weekly PAGA Value by the number of PAGA Workweeks attributable to an individual Aggrieved Employee to derive his or her Individual PAGA Payment (which is listed in Section III.C below). PAGA Group Members shall receive an Individual PAGA Payment and shall be bound to the PAGA Settlement irrespective of whether they exercise their option to opt out of the Class Settlement.

Individual Settlement Shares will be allocated as twenty percent (20%) wages which will be reported on an IRS Form W2 and eighty percent (80%) as interest, penalties, and other non-wage damages which will be reported on an IRS Form 1099 (if required). Each Individual Settlement Share will be subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share, resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). Individual PAGA Payments will be allocated one hundred percent (100%) as civil penalties and will be reported on an IRS Form 1099-MISC, if necessary. Defendant shall pay the Employer Taxes in addition to the Gross Settlement Amount, to the Settlement Administrator, and the Settlement Administrator will forward the Employer Taxes to the pertinent taxing authorities.

If the Court grants final approval of the Settlement, Individual Settlement Payments and/or Individual PAGA Payments will be mailed to Settlement Class Members and Aggrieved Employees at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks Based on Defendants’ Records

According to Defendant’s records, you have been credited with [REDACTED] Workweeks during the Class Period, i.e., from May 15, 2016, through March 31, 2021.

According to Defendant’s records, you have been credited with [REDACTED] PAGA Workweeks during the PAGA Period, i.e., from March 3, 2019, through March 31, 2021.

If you wish to dispute the Workweeks credited to you, you may submit your dispute by way of written letter (“Workweeks Dispute”) that is sent to the Settlement Administrator. The Workweeks Dispute must: (a) contain the case name and number of the Action; (b) be signed by you; (c) contain your full name, address, telephone number, and the last four digits of your Social Security Number; (d) clearly state that you dispute the number of Workweeks credited to you and what you contend is the correct number to be credited to you; (e) include information and/or attach documentation demonstrating that the number of Workweeks that you contend should be credited to you are correct; (f) be returned by mail or fax to the Settlement Administrator at the specified address and/or fax number listed below (Section IV.B), postmarked or fax-stamped on or before the [the Response Deadline].

C. Your Estimated Individual Settlement Share and/or Individual PAGA Payment

As explained above, your estimated Individual Settlement Share and/or Individual PAGA Payment is based on the number of Workweeks and/or PAGA Workweeks credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [redacted]. The Individual Settlement Share is subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Your Individual PAGA Payment is estimated to be \$ [redacted] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and/or Individual PAGA Payment reflected in this Notice is only an estimate. Your actual Individual Settlement Payment and/or Individual PAGA Payment may be higher or lower.

D. Release of Claims

Upon the Effective Date and full funding of the Gross Settlement Amount, Settlement Class Members shall be deemed to have fully, finally and forever settled and released any and all of the Class Released Claims, and all Aggrieved Employees will be deemed to have fully, finally and forever settled and released any and all of the PAGA Released Claims.

“Released Claims” means any and all causes of action, claims, rights, damages, penalties, liabilities, expenses, and losses, pled in the Operative Complaint or LWDA Notices, or that could have been pled therein, based on the facts alleged in the Operative Complaint or the LWDA Notices, against Defendant and each and all of its officers, agents, directors, supervisors, employees, representatives, insurers and their successors and assigns, subsidiaries, affiliated entities, and all persons acting by, through, under, or in concert with any of them (collectively, “Released Parties”), including but not limited to claims under the California Labor Code, California Industrial Welfare Commission Wage Orders, regulations, and/or provisions of law, for failure to pay overtime wages, failure to pay minimum wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to provide compliant wage statements, failure to timely pay wages upon termination of employment, failure to pay timely wages during employment, failure to pay reporting time pay, failure to maintain requisite payroll records, failure to provide a day of rest, failure to reimburse necessary business-related expenses in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, California Industrial Welfare Commission Wage Orders Nos. 4-2001, 7-2001, and 9-2001, unfair or unlawful business practices pursuant to California Business and Professions Code § 17200, et seq., and civil penalties pursuant to CPAGA based on the aforementioned. The released claims do not include, and specifically exclude, workers’ compensation claims and any other claims that cannot be waived or released by law.

“Class Released Claims” means any and all Released Claims arising during the Class Period, other than those arising under the Private Attorneys General Act, California Labor Code Section 2698, et seq.

“PAGA Released Claims” means any and all Released Claims under the Private Attorneys General Act, California Labor Code Section 2698, et seq. arising during the PAGA Period.

“Released Parties” means Defendant and each and all of its officers, agents, directors, supervisors, employees, representatives, insurers and their successors and assigns, subsidiaries, affiliated entities, and all persons acting by, through, under, or in concert with any of them

E. Attorney Fees and Costs to Class Counsel

Class Counsel will seek attorneys' fees in an amount of up to thirty-five percent (35%) of the Gross Settlement Amount (i.e., an amount of up to \$490,000.00) and reimbursement of litigation costs and expenses not to exceed Forty Thousand Dollars (\$40,000.00) (collectively, "Attorney Fees and Costs"), subject to approval by the Court. All Attorney Fees and Costs awarded by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiffs, Class Members, and Aggrieved Employees on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.

F. Enhancement Payments to Plaintiffs

Plaintiffs will seek the amounts of up to Ten Thousand Dollars (\$10,000.00) each ("Enhancement Payments"), in recognition of their services in connection with the Action. The Enhancement Payments will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiffs in addition to their Individual Settlement Payments and Individual PAGA Payments (if applicable) to which they are entitled under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Twenty-Five Thousand Dollars (\$25,000.00) ("Settlement Administration Costs") for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members and Aggrieved Employees of the Settlement, processing Requests for Exclusion, Notices of Objection, and Workweek Disputes, calculating Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Class Settlement

If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything. You will automatically be included in the Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement, you will be bound by the terms of the Class Settlement and the contemplated judgment to be entered by the Court based thereon if the Court grants final approval of the Settlement, and you will release the Class Released Claims described in Section III.D above.

If you are an Aggrieved Employee, you will automatically be bound to the PAGA Settlement and issued your Individual PAGA Payment.

As a Class Member or Aggrieved Employee, you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Class Settlement

If you do not wish to participate in the Class Settlement, you must seek exclusion from the Class Settlement by submitting a written letter ("Request for Exclusion") to the Settlement Administrator.

A Request for Exclusion must: (a) contain the case name and number of the Action; (b) be signed by you; (c) contain your full name, address, telephone number, and the last four digits of your Social Security Number; (d) clearly state that you do not wish to be included in the Class Settlement; and (e) be returned by mail or fax to the Settlement Administrator at the specified address and/or fax number listed in Section IV.B above, postmarked or faxed on or before **[Response Deadline]**, at the following mailing address:

[Settlement Administrator]

[Mailing Address]

If the Court grants final approval of the Settlement, any Class Member who submits a valid and timely Request for Exclusion will not be entitled to receive an Individual Settlement Payment from the Class Settlement, will not be bound by the Class

Settlement (and the release of Class Released Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Any Class Members who do not submit a valid and timely Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of Class Released Claims described in Section III.D above, as well as the contemplated judgment to be entered by the Court, if the Court grants final approval of the Settlement. However, consistent with applicable law, Aggrieved Employees may not exclude themselves from the PAGA Settlement and will be bound by all terms of the PAGA Settlement, including those pertaining to the release of PAGA Released Claims described in Section III.D above, and any judgment that may be entered by the Court (as it pertains to the PAGA Settlement) if it grants final approval of the Settlement.

C. Object to the Class Settlement

You can object to the terms of the Class Settlement as long as you have not submitted a Request for Exclusion, by submitting a written objection (“Notice of Objection”) to the Settlement Administrator or presenting your objection at the Final Approval Hearing.

The Notice of Objection must: (a) contain the case name and number of the Action; (b) be signed by you; (c) contain your full name, address, telephone number, and the last four digits of your Social Security number; (d) contain a written statement of all grounds for the objection, accompanied by any legal support for such objection; (e) include copies of any papers, briefs, or other documents upon which the objection is based; and (f) be returned by mail or fax to the Settlement Administrator at the specified address and/or fax number, postmarked or faxed on or before **[Response Deadline]**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 28 of the Sacramento County Superior Court, located at 720 9th Street Sacramento, California 95814, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Attorney Fees and Costs to Class Counsel, Enhancement Payments to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator.

The hearing may be continued without further notice to Class Members and Aggrieved Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other court records in the Action for a fee by visiting the civil clerk’s office, located at Gordon D. Schaber Sacramento County Courthouse 720 9th Street, Sacramento, California during business hours, or online by visiting the following website: <https://services.saccourt.ca.gov/PublicCaseAccess/Civil/SearchByCaseNumber>

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: **[INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.**