MEMORANDUM OF UNDERSTANDING

Cordoba v. Hanson Distributing Company, Case No. 19STCV02575
Vidal v. Hanson Distributing Company, Case No. 20PSCV00322

Plaintiffs Sandra Cordoba and Joanna Vidal ("Plaintiffs") and Defendant Hanson Distributing Company ("Defendant") (collectively "Parties") hereby enter into this Memorandum of Understanding on November 29, 2023 and agree to the following settlement terms to resolve the above-entitled cases:

- Gross Settlement Amount ("GSA"): One Million Eight Hundred Thousand Dollars ($1,800,000.00), all-in (employer's share of payroll taxes shall be paid in addition to the GSA), non-reversionary.
- The settlement is contingent upon the bank not calling Defendant's outstanding loan and bank approval to fund the GSA. Defendant shall promptly present this MOU to the bank to obtain approval. Defense counsel shall notify Plaintiff's counsel in writing by January 15, 2024 on whether the bank has provided approval. If the bank does not grant approval, both the *Cordoba* action and *Vidal* action shall immediately resume to litigation and this agreement shall be void.
- Payment Plan: The GSA will be paid out by Defendant into a Qualified Settlement Fund ("QSF") established by the Settlement Administrator according to the following payment schedule. Defendant shall begin making quarterly payments on the Due Dates even if the Court has not yet granted final approval of the settlement.

Amount Due	Due Date
$75,000.00	3/15/2024
$75,000.00	6/15/2024
$75,000.00	9/15/2024
$75,000.00	12/15/2024
$75,000.00	3/15/2025
$75,000.00	6/15/2025
$75,000.00	9/15/2025
$75,000.00	12/15/2025
$150,000.00	3/15/2026
$150,000.00	6/15/2026
$150,000.00	9/15/2026
$150,000.00	12/15/2026
$150,000.00	3/15/2027
$150,000.00	6/15/2027
$150,000.00	9/15/2027
$150,000.00	12/15/2027

- In the event that 5% or more of the Class Members opt out of the settlement, Defendant has the right (but not the obligation) to void the settlement.
- **Payment Characterization**: The sums paid to Class Members shall be one-half to wages for which an IRS Forms W-2 shall issue from the administrator, and one-half to non-wage claims such as penalties, reimbursements, interest and other non-wage claims, for which IRS Forms 1099 shall be issued by the administrator. All sums paid out to the Aggrieved Employees members shall be treated as penalties and shall be reported on IRS Form 1099.
- **PAGA Penalties**: The portion of the Settlement allocated to PAGA civil penalties shall be
- $100,000, of which $75,000.00 shall be paid to the LWDA for their 75% of the penalties and $25,000.00 shall be distributed pro rata to the Aggrieved Employees who worked during the PAGA Period.
- This Payment Plan is also contingent on the Court approving the Parties' stipulation to extend Plaintiffs Cordoba's and Vidal's 5-year deadlines to December 31, 2028. The Parties shall stipulate to extend Plaintiffs Cordoba's and Vidal's 5-year deadlines to December 31, 2028.
- The parties agree that both the *Cordoba* and *Vidal* actions will be informally stayed until January 15, 2024 or the date Defendant's counsel notifying Plaintiff's counsel in writing of the bank's approval, whichever is earlier, so that this settlement may be implemented. Within 15 days of signing this MOU, the Parties will file a proposed order and stipulation to continue the current deadlines in the *Cordoba* case and the *Vidal* case.
- The parties agree to the appointment of ILYM Group, Inc. as the Settlement Administrator
- Settlement Administration costs estimated at $35,000.00 to be paid out of the GSA
- 4 Annual Disbursements: ILYM Group, Inc. shall disburse, pro rata, the total outstanding amount in the QSF by December 31st of each payment year.
- If it is necessary for approval of the settlement, Defendant shall be responsible for all costs associated with obtaining any supporting declaration(s) from the Honorable Mitchel Goldberg (Ret.), and such costs will not be deducted out of the GSA, and instead, will be paid separately and in addition to the GSA by Defendant directly to Judge Goldberg
- Class Release Period: January 29, 2015 through the earlier of (1) October 15, 2023 or (2) the date when the total number of workweeks within the Class Period totals 213,612 workweeks as confirmed by a declaration by Defendant. In no event should the end date be earlier than August 4, 2023. No later than December 15, 2023, Defendant shall confirm by declaration the total number of Class Members and their total work weeks from January 29, 2015 through October 15, 2023.
- PAGA Release Period: March 10, 2019 through the earlier of (1) October 15, 2023 or (2) the date when the total number of workweeks within the Class Period totals 213,612 as confirmed by a declaration by Defendant. In no event should the end date be earlier than August 4, 2023. No later than December 15, 2023, Defendant shall confirm by declaration the total number of Aggrieved Employees and their total work weeks from March 10, 2019 through October 15, 2023.
- 35% of the GSA toward Plaintiff's attorneys' fees to be paid out of the GSA
- Plaintiff's counsel's costs to be paid out of the GSA
- $10,000 enhancement to Plaintiff Cordoba and $5,000 to Plaintiff Vidal to be paid out of the GSA

- Any post mediation disputes shall be resolved by Judge Goldberg
- The Parties shall fully execute a long-form settlement agreement no later than December 31, 2023. The Parris Law Firm shall prepare the first draft. The Parties shall return proposed edits in redline back to the other side within seven (7) calendar days of receipt of the other side's edits. Otherwise, this Memorandum of Understanding shall be submitted to the Court for preliminary approval.
- Within five (5) days of Defendant's counsel notifying Plaintiff's counsel in writing of the bank's approval, Plaintiffs' counsel shall notify judges in both cases that the cases have been settled.
- It is agreed that until such time that a long-form settlement agreement is executed by the Parties, this executed Memorandum of Understanding shall be treated as an enforceable settlement agreement pursuant to California Code of Civil Procedure section 664.6
- **Released Parties**: The "Released Parties" are Hanson Distributing Company and Hanson Merrill Corp. and each of their parent, predecessor, subsidiary entities, and each of their officers and directors. The release will fully release and discharge the Released Parties of any and all past, present claims, complaints, demands, liabilities, debts, obligations, liens, costs, attorneys' fees, promises, losses or damages that were alleged in the Complaints, and/or could have been alleged in the Complaints based on the facts, theories, and/or claims alleged in the operative Complaints, which arose during the Class Period and/or the PAGA Period. This includes, but is not limited to, a release of all claims which arose during the Class Period and/or the PAGA Period for unpaid minimum wages, meal and rest period premiums, unpaid overtime, unreimbursed business expenses, and all PAGA penalties relating to the same, wage statements, off the clock, and waiting time penalties.
- **Consolidation**. Both cases to be consolidated by stipulation to coordinate settlement approval. The individual plaintiffs confirm they have no further claims against any released party.
- **Best efforts to obtain approval**: Plaintiffs and their Counsel will timely and efficiently use their best efforts to obtain approval of this settlement, and to defend this settlement against any attack by any other party, employee, plaintiff, or attorney. No later than 10 days prior to filing of any settlement approval motions, Plaintiff's counsel shall provide defense counsel with the drafts motions for their review and input. Plaintiff shall also timely make all required notices to the LWDA with copy to defense counsel.
- **Plaintiffs' Release**: Named Plaintiffs will execute individual general releases including a 1542 waiver. Plaintiffs all agree to keep the settlement entirely confidential, including their individual settlement amounts.
- **No Publicity**: The Parties will keep the terms of this settlement and not publicize this settlement or disclose it to third parties, except for purposes of the Court granting approval of the settlement, and as required or necessary to effectuate its terms, including the payment of taxes. Following approval, neither Party will seek publicity or otherwise advertise this settlement or any fact or issue related to this settlement, including on a website. However, Plaintiff's Counsel may disclose or publicize, without referencing any specifics about the case, including the identities of any entities, the amount of the settlement and that it was a wage-and-hour/PAGA settlement.
- **Uncashed Funds**: Any funds associated with uncashed checks in the TSA shall be transmitted to the California Unclaimed Property Fund in the name of the Class Member or Aggrieved Employee.

Dated: 11/30/2023

DocuSigned by:

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Sandra Cordoba

Dated: ____________________

Joanna Vidal

Hanson Distributing Company

Dated: ____________________

By: ______________________________

Daniel Hanson, Sr.

Dated: December 1, 2023

Parris Law Firm

Kitty K. Szeto

Zaller Law Group, PC

Dated: ____________________

By: ______________________________

Anne McWilliams

Dated: ____________________

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Sandra Cordoba

Dated: 11/30/2023

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Joanna Vidal

Hanson Distributing Company

Dated: ____________________

By: ____________________________________
Daniel Hanson, Sr.

Dated: ____________________

Parris Law Firm

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Kitty K. Szeto

Zaller Law Group, PC

Dated: ____________________

By: ____________________________________
Anne McWilliams

Dated: ____________________

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Sandra Cordoba

Dated: ____________________

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Joanna Vidal

Hanson Distributing Company

Dated: 11/30/2023

By: Daniel Hanson
Daniel Hanson (Nov 30, 2023 12:37 PST)
Daniel Hanson, Sr.

Dated: ____________________

Parris Law Firm

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Kitty K. Szeto

Zaller Law Group, PC

Dated: 11/30/2023

By: Anne McWilliams
Anne McWilliams (Nov 30, 2023 13:43 PST)
Anne McWilliams