

JOINT STIPULATION AND SETTLEMENT AGREEMENT

Subject to final approval by the Court, this Settlement Agreement is between Plaintiff Tommy Carrillo (“Plaintiff”), on behalf of himself, the putative class members (“Class Members”), and the PAGA Members (“PAGA Members” he claims to represent, on the one hand, and Weartech International, Inc. (“Defendant”), on the other hand (jointly referred to as the “Parties”).

I. DEFINITIONS

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

- A. **Action**: *Tommy Carrillo v. Weartech International, Inc.*, Orange County Superior Court, Case No. 30-2020-0115133-CU-OE-CXC.
- B. **Administration Costs**: The costs incurred by the Settlement Administrator to administer this Settlement, which the Parties estimate will be up to Fifteen Thousand Dollars and Zero Cents (\$15,000.00). All Administration Costs shall be paid from the Gross Settlement Amount.
- C. **Attorney Fee Award**: The amount, up to thirty-three percent (33%) of the Gross Settlement Amount, or One Hundred Forty Eight Thousand Five Hundred Dollars and Zero Cents (\$148,500.00), subject to Court approval, which will be awarded to Class Counsel under the terms of this Settlement. The Attorney Fee Award shall be paid from the Gross Settlement Amount and will not be opposed by Defendant. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members and PAGA Members.
- D. **Class**: All individuals employed in hourly or non-exempt positions by Defendant in California at any time during the Class Period, which is fully inclusive of the PAGA Members.
- E. **Class Counsel**: Heather Davis and Amir Nayebdadash of Protection Law Group.
- F. **Class Member**: Each individual eligible to participate in this Settlement who is a member of the Class, which is fully inclusive of all PAGA Members.
- G. **Class Notice or Notice**: The Notice of Class Action Settlement, which is inclusive of the PAGA claims in the LWDA Letter, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval.

- H. **Class Period:** The time period of July 27, 2016 through the date of preliminary approval of the settlement by the court, which is fully inclusive of the time period applicable to the PAGA Members.
- I. **Class Representative or Plaintiff:** Tommy Carrillo.
- J. **Class Representative Incentive Payment:** The amount the Court awards to Plaintiff for his services as the Class Representative, which will be up to Five Thousand Dollars and Zero Cents (\$5,000.00). This payment shall be paid from the Gross Settlement Amount and will not be opposed by Defendant. This incentive is subject to approval of the Court. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members and PAGA Members.
- K. **Cost Award:** The amount that the Court orders Defendant to pay or cause to be paid, based on this Settlement, to Class Counsel for payment of actual litigation costs, which will be up to Fifteen Thousand Dollars and Zero Cents (\$15,000.00). The Cost Award will be paid from the Gross Settlement Amount and will not be opposed by Defendant. The Cost Award is subject to Court approval. If the Court awards less than the amount request, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members and PAGA Members.
- L. **Counsel for Defendant:** Shareef S. Farag, Jeffrey Vlassek, and Joseph Persoff of Baker Hostetler LLP.
- M. **Defendant:** Weartech International, Inc.
- N. **Effective Final Settlement Date:** The effective date of this Settlement will be the date when the final approval of the Settlement can no longer be appealed, or, if there are no objectors and no plaintiff in intervention at the time the Court grants final approval of the Settlement, then the effective date is the date that the Court enters judgment granting final approval of the Settlement.
- O. **Final Approval:** The final order entered by the Court finally approving this Settlement.
- P. **Gross Settlement Amount:** The total value of the Settlement is a non-reversionary Four Hundred Fifty Thousand Dollars and Zero Cents (\$450,000.00). Exclusive of all payroll taxes and withholdings, this is the maximum amount Defendant can be required to pay or cause to be paid under this Settlement, subject to the conditions set forth herein, which includes without limitation: (1) the Net Settlement Amount to be paid to Participating Class Members and PAGA Members; (2) Attorney Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (3) the

Class Representative Incentive payment paid to the Class Representative, as approved by the Court; (4) Administration Costs, as approved by the Court; and (5) payments to the LWDA, Participating Class Members, and PAGA Members, as approved by the Court. No portion of the Gross Settlement Amount will revert to Defendant for any reason. Under no circumstances will Defendant be required to pay or cause to be paid greater than the Gross Settlement Amount under the terms of this Settlement.

- Q. Individual Settlement Share(s):** The amount payable to each Participating Class Member under the terms of this Settlement from the Net Settlement Amount and to PAGA Members for their portion of the PAGA Payment. Class Members are not required to submit a claim form to receive their Individual Settlement Shares pursuant to this Settlement.
- R. LWDA:** California Labor and Workforce Development Agency.
- S. LWDA Letter:** The letter Plaintiff submitted to the LWDA on June 30, 2020.
- T. Net Settlement Amount:** The total amount of money available for payout to Participating Class Members and PAGA Members, which is the Gross Settlement Amount less the Attorney Fee Award, Cost Award, Class Representative Incentive Payment, the PAGA Payment, and Administration Costs.
- U. Objection Form:** The form Participating Class Members may use to submit objections to the terms of the Settlement, substantially in the form attached hereto as **Exhibit B**, subject to Court approval.
- V. PAGA:** The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*).
- W. PAGA Members:** All individuals employed in hourly or non-exempt positions by Defendant in California at any time during the PAGA Period.
- X. PAGA Payment:** The PAGA Payment consists of Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00) of the Gross Settlement Amount, which is attributed to the PAGA claim as alleged in the LWDA Letter and the Action. Seventy-five percent (75%) of the PAGA Payment (\$26,250) shall be paid to the LWDA, and twenty-five percent (25%) (\$8,750) of the PAGA Payment shall be distributed to PAGA Members as part of their Individual Settlement Share.
- Y. PAGA Period:** The time period of July 27, 2019 through the date of preliminary approval of the settlement by the court.

- Z. Participating Class Members:** All Class Members who do not submit a valid and timely request to exclude themselves from this Settlement, as detailed in Section III.J. Class Members may not exclude themselves from the Settlement with respect to any PAGA claims alleged or released.
- AA. Parties:** Collectively, Plaintiff and Defendant.
- BB. Preliminary Approval or Preliminary Approval Order:** The Court's order preliminarily approving the proposed Settlement.
- CC. Qualified Settlement Fund:** A fund within the meaning of Treasury Regulation § 1.46B-1, 26 C.F.R. § 1.468B-1 et seq., that is established by the Settlement Administrator for the benefit of Participating Class Members, Plaintiff, and Class Counsel.
- DD. Released Claims:** Any and all causes of action, claims, rights, damages, penalties, interest, attorneys' fees, costs, liabilities, expenses, and losses arising from the facts alleged in both the Notice provided to the LWDA and in the operative complaint in the Action or which could have been alleged based upon such facts including, but not limited to: (a) any alleged failure by Defendant to pay overtime wages, minimum wages, vacation pay, or any other wages due; (b) any alleged failure by Defendant to timely pay wages at termination or during employment; (c) any alleged failure by Defendant to provide meal or rest periods or to pay meal or rest period premiums; (d) any alleged failure by Defendant to provide compliant wage statements; (e) any right or claim for civil penalties pursuant to the Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698 et seq., based upon the facts alleged in both the Notice provided to the LWDA and subsequently pled in the operative complaint; (f) any right or claim for unfair business practices in violation of California Business & Professions Code § 17200 et seq. arising from or related to the facts alleged in the operative complaint; and (g) any violation or breach of the California Labor Code arising from the conduct alleged in the operative complaint, including without limitation, Labor Code Sections 201, 202, 203, 204, 226, 226.3, 226.7, 227.3, 510, 512, 1174, 1194, 1197, 1197.1, and 1198, or any other federal, state or local statute, wage order, rule, regulation, or similar causes of action that could have arisen based upon the facts alleged in the operative complaint in the Action. Notwithstanding the above, the Parties understand and agree that the release in this Settlement does not apply to (i) those rights that as a matter of law cannot be released and/or waived, including, but not limited to, workers' compensation claims; (ii) rights or claims that may arise after the close of the Class Period; and (iii) rights or claims regarding enforcement of this Settlement.
- EE. Releasing Parties:** Plaintiff, all Participating Class Members, all PAGA Members, and all persons purporting to act on behalf of any such individuals or purporting to assert a claim under or through them, including but not limited to,

their dependents, spouses, attorneys, heirs and assigns, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, representatives, agents, and successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect, or any other type or in any other capacity.

- FF. Released Parties:** Defendant and any of its current, former, and future parent, subsidiary, and affiliated companies, and its/their agents, officers, shareholders, directors, employees, including successors and assigns, related or affiliated companies' predecessors and successors; and, with respect to all such entities, all of its/their past and present employees, officers, directors, stockholders, owners, representatives, assigns, attorneys, agents, insurers, employee benefit programs (and the trustees, administrators, fiduciaries and insurers of such programs) and any other persons acting by, through, under or in concert with any such persons or entities.
- GG. Request for Exclusion Form:** The form that will be sent to the putative class members which they may use to opt-out of the class and participation in the proposed Settlement, substantially similar to the form attached here as **Exhibit C**, subject to Court approval.
- HH. Response Deadline:** Sixty (60) calendar days from the initial mailing of the Class Notice.
- II. Settlement:** The settlement agreement reflected in this document, titled "Joint Stipulation and Settlement Agreement."
- JJ. Settlement Administration:** The Settlement Administrator will conduct a skip trace for the addresses of all former employee Class Members. The Settlement Administrator will mail the Class Notice by first class U.S. mail to all Class Members at the address Defendant has on file for those Class Members, subject to update by the Settlement Administrator's skip trace. The Class Notice will inform Class Members that they have until the Response Deadline to either object to the Settlement or to opt-out of the Settlement, except that Class Members may not opt-out with respect to any PAGA claims alleged or released. Any Class Member who does not receive the Class Notice after the steps outlined above have taken place will still be bound by the Settlement and judgment.
- KK. Settlement Administrator:** The third party administrator agreed upon by Parties to administer this Settlement will be The ILYM Group, Inc.
- LL. Superior Court:** The Superior Court of California, County of Orange, in the department to which this case is assigned (including any transfers or reassignments).

II. RECITALS

- A. On June 30, 2020, Plaintiff submitted a letter to California's Labor Workforce and Development Agency alleging that Defendant violated California Labor Code §§ 201, 202, 203, 204, 226, 226.3, 226.7, 227.3, 510, 512, 1174, 1194, 1197, 1197.1, and 1198.
- B. On July 27, 2020, Plaintiff filed a class action complaint in Orange County Superior Court, Case No. 30-2020-0115133-CU-OE-CXC, alleging claims for (1) unpaid overtime; (2) meal period violations; (3) rest period violations; (4) unpaid minimum wages; (5) failure to timely pay final wages; (6) wage statement violations; (7) unpaid vacation wages; and (8) violation of California Business and Professions Code § 17200, et seq.
- C. On September 4, 2020, Plaintiff filed a First Amended Complaint adding an additional cause of action for penalties under California's Private Attorneys General Act.
- D. The Parties engaged in mediation on August 18, 2021 with mediator Paul Grossman. Prior to mediation, the Parties conducted significant investigation and discovery of the facts and law. Defendant produced documents relating to its wage and hour policies, practices, and procedures. Defendant also produced time and pay records and information relating to the size and scope of the Class. Class Counsel represents it reviewed time records, pay records, and information relating to the size and scope of the Class, as well as data permitting Class Counsel to understand the number of workweeks and pay periods in the Class Period. The Parties agree that the above-described investigation and evaluation, as well as the information exchanged during the settlement negotiations, are more than sufficient to assess the merits of the respective Parties' positions and to compromise the issues on a fair and equitable basis.
- E. **Benefits of Settlement to Class Members.** Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to continue the litigation against Defendant through trial and through any possible appeals. Plaintiff and Class Counsel also have taken into account the uncertainty and risk of further litigation, the potential outcome, and the difficulties and delays inherent in such litigation. Based on the foregoing, Plaintiff and Class Counsel believe the Settlement set forth in this Settlement is a fair, adequate, and reasonable settlement, and is in the best interests of the Class Members.
- F. **Defense Reasons for Settlement.** Defendant recognizes that the defense of this litigation may be protracted and expensive. Substantial amounts of time, energy, and resources of the defense have been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by

Plaintiff. Defendant, therefore, has agreed to settle in the manner and upon the terms set forth in this Settlement to put to rest the Released Claims.

- G. Defendant's Denial of Wrongdoing.** Defendant generally and specifically denies any and all liability or wrongdoing of any sort with regard to any of the claims alleged, makes no concessions or admissions of liability of any sort, and contends that for any purpose other than Settlement, the Action is not appropriate for class or representative treatment. Defendant asserts a number of defenses to the claims, and has denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Action. Neither this Settlement, nor any document referred to or contemplated by this Settlement, nor any action taken to carry out this Settlement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. Nor should the Settlement be construed as an admission that Plaintiff can serve as an adequate Class Representative except for purposes of this Settlement. There has been no final determination by any court as to the merits of the claims asserted by Plaintiff against Defendant or as to whether a class or classes should be certified, other than for settlement purposes only.
- H. Plaintiff's Claims.** Plaintiff asserts that Defendant's defenses are without merit. Neither this Settlement nor any documents referred to or contemplated by this Settlement, nor any action taken to carry out this Settlement is, may be construed as, or may be used as an admission, concession or indication by or against Plaintiff, Class Members, or Class Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the Action. However, in the event that this Settlement is finally approved by the Court, Plaintiff and Class Counsel will not oppose Defendant's efforts to use this Settlement to prove that Plaintiff and Class Members have resolved and are forever barred from re-litigating the Released Claims.

III. SETTLEMENT TERMS AND CONDITIONS

- A. Gross Settlement Amount.** Subject to the terms and conditions of this Settlement, Defendant shall fund a Gross Settlement Amount of Four Hundred Fifty Thousand Dollars and Zero Cents (\$450,000.00). With the sole exception of the payment of all payroll taxes and withholdings and the situation provided for in the following sub-paragraph, under no circumstances will Defendant be required to pay or cause to be paid greater than the Gross Settlement Amount under the terms of this Settlement.
- 1. Increase in Number of Workweeks.** The Parties estimate that the total number of Workweeks worked by the Class Members totals approximately 10,348 from July 27, 2016 through October 30, 2020, when the company ceased operations in California. If the total number of Workweeks worked by the Class Members during the Class Period exceeds the foregoing

amounts by more than ten percent (10%), i.e., more than 1,035 workweeks, then the Gross Settlement Amount will increase by the percentage of additional workweeks above 10,348. For example, and for purposes of clarity, if there are in fact 11,590 Workweeks worked by the Class Members during the Class Period, then the Gross Settlement Amount will increase by $1,242 / 10,348$ (the number of additional Workweeks worked by Class Members beyond 10,348), or \$54,000.

- B. Notice to the Labor and Workforce Development Agency (“LWDA”).** On June 30, 2020, Plaintiff filed and served his Notice of Labor Code Violations Pursuant to Labor Code Section 2699.3 and waited the statutory time period needed without response from the LWDA to file a civil claim for PAGA penalties. Thus, Plaintiff represents that he has satisfied his notice obligations under the PAGA.
- C. Class Certification.** Solely for the purposes of this Settlement, the Parties stipulate and agree to certification of the claims asserted on behalf of Class Members. As such, the Parties stipulate and agree that in order for this Settlement to occur, the Court must certify the Class as defined in this Settlement.
- D. Conditional Nature of Stipulation for Certification.** The Parties stipulate and agree to the certification of the claims asserted on behalf of Plaintiff and Class Members for purposes of this Settlement only. If the Settlement does not become effective, the fact that the Parties were willing to stipulate to certification as part of the Settlement shall not be admissible or used in any way in connection with the Action, including the question of whether the Court should certify any claims in a non-settlement context in the Action or in any other lawsuit. If the Settlement does not become effective, Defendant reserves the right to contest any issues relating to class certification and liability.
- E. Appointment of Class Representative.** Solely for the purposes of this Settlement, the Parties stipulate and agree that Plaintiff Tommy Carrillo shall be appointed as representative for the Class.
- F. Appointment of Class Counsel.** Solely for the purpose of this Settlement, the Parties stipulate and agree that the Court appoint Heather Davis and Amir Nayebedadash of Protection Law Group as Class Counsel to represent the Class.
- G. Individual Settlement Share.** Subject to the terms and conditions of this Settlement, the Settlement Administrator will pay an Individual Settlement Share from the Net Settlement Amount to each Participating Class Member.
 - 1. Calculation of Class Portion of Individual Settlement Share for Participating Class Members.** Each Participating Class Member and will receive a proportionate share of the Net Settlement Amount that is

equal to (i) the number of workweeks he or she worked in the Class Period based on the class data provided by Defendant, divided by (ii) the total number workweeks worked by all Participating Class Members in the Class Period based on the same class data, which is then multiplied by the Net Settlement Amount. One day worked in a given workweek will be credited as a workweek for purposes of this calculation. Therefore, the value of each Class Member's Individual Settlement Share ties directly to the number of workweeks that he or she worked.

2. **Calculation of PAGA Portion of Individual Settlement Share** Each PAGA Member shall receive a share of the \$8,750 employee PAGA Payment, which will be equal to (i) the number of workweeks he or she worked in the PAGA Period based on the class data provided by Defendant, divided by (ii) the total number of workweeks worked by all PAGA Members in the PAGA Period based on the same class data, which is then multiplied by \$8,750. PAGA Members shall receive this portion of their Individual Settlement Share regardless of whether they opt out of the participation regarding the class claims and he or she will still be deemed to have released all Released Claims related to PAGA.
3. **Tax Withholdings.** Each putative class member's gross settlement award will be apportioned as follows: 25% wages for which each Class Member will be issued an IRS Form W-2, and 75% to interest and penalties for which each Class Members will be issued an IRS Form 1099. The Settlement Administrator will deduct applicable employee and employer payroll taxes and withholdings with respect to the 25% wage portion of the settlement payment.

H. Settlement Disbursement. Subject to the terms and conditions of this Settlement, the Settlement Administrator will make the following payments out of the Gross Settlement Amount:

1. **To Plaintiffs and Class Members.** The Settlement Administrator will pay Plaintiffs, Participating Class Members, and PAGA Members according to the Individual Settlement Share calculations set forth above. All payments shall be made from the Gross Settlement Amount.
2. **To Class Counsel.** Class Counsel will apply to the Superior Court for the Attorney Fee Award and the Cost Award. The Settlement Administrator will pay the court-approved amounts for the Attorney Fee Award and Cost Award out of the Gross Settlement Amount. Payroll tax withholding and deductions will not be taken from the Attorney Fee Award or the Cost Award. IRS Forms 1099 will be issued to Class Counsel with respect to these payments. In the event the Superior Court does not approve the entirety of the application for the Attorney Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount the Superior Court awards, and neither Defendant nor the Settlement Administrator shall be

responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Class Counsel for the Attorney Fee Award and/or Cost Award, the difference shall become part of the Net Settlement Amount and be available for distribution to Participating Class Members and PAGA Members.

3. **To the Responsible Tax Authorities.** The Settlement Administrator will pay the amount of the Participating Class Members' and PAGA Members' portion of normal payroll withholding taxes out of each person's Individual Settlement Share. The Settlement Administrator shall pay Defendant's portion of payroll taxes as the current or former employer (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) to the appropriate local, state, and federal taxing authorities. The Settlement Administrator will calculate the amount of the Participating Class Members' and Defendant's portion of payroll withholding taxes and forward those amounts to the appropriate taxing authorities.
4. **To the Settlement Administrator.** The Settlement Administrator will pay to itself Administration Costs. This will be paid out of the Gross Settlement Amount. If the actual amount of Administration Costs is less than the amount estimated and/or requested, the difference shall become part of the Net Settlement Amount and be available for distribution to Participating Class Members and PAGA Members.

- I. **Appointment of Settlement Administrator.** Solely for the purposes of this Settlement, the Parties stipulate and agree that ILYM Group, Inc. shall be retained to serve as Settlement Administrator. The Settlement Administrator shall be responsible for preparing, printing, and mailing the Class Notice to the Class Members; keeping track of any objections or requests for exclusion from Class Members; performing skip traces and re mailing Notices and Individual Settlement Shares to Class Members; calculating any and all payroll tax deductions as required by law; calculating each Class Member's Individual Settlement Share; providing weekly status reports to Defendant's Counsel and Class Counsel, which is to include updates on any objections or requests for exclusion that have been received; providing a due diligence declaration for submission to the Court prior to the Final Approval hearing; mailing Individual Settlement Shares to Participating Class Members; calculating and mailing the PAGA Payment to the LWDA; distributing the Attorney Fee Award and Cost Award to Class Counsel; printing and providing Class Members and Plaintiff with 1099 forms as required under this Settlement and applicable law; providing a due diligence declaration for submission to the Superior Court upon the completion of the Settlement; providing any funds remaining in the Qualified Settlement Fund as a result of uncashed checks to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code §1500, et. seq. for the benefit of those Participating Class Members and PAGA Members who did not cash their checks until such time that they claim their property.

J. Procedure for Approving Settlement.

1. Motion for Preliminary Approval and Conditional Certification.

- a.** Plaintiff will move for an order conditionally certifying the Class for Settlement purposes only, giving Preliminary Approval of the Settlement, setting a date for the Final Approval hearing, and approving the Class Notice within a reasonable time after full execution of this Settlement.
- b.** At the Preliminary Approval hearing, Plaintiff will support the granting of the motion and submit a proposed order granting conditional certification of the Class and Preliminary Approval of the Settlement; appointing the Class Representatives, Class Counsel, and Settlement Administrator; approving the Class Notice; and setting the Final Approval hearing.
- c.** Pursuant to PAGA, California Labor Code Section 2699(1)(2), Plaintiff will submit a copy of the Motion for Preliminary Approval of the Settlement to the LWDA on the same day that it is submitted to the Superior Court.
- d.** In the event that class certification for Settlement purposes is deemed null and void, then the conditional class certification for Settlement purposes will have no precedential value and it will not be introduced into evidence or used for any other purpose. Provided, however, that the amounts of the Attorney Fee Award, Cost Award, PAGA Payment, and Administration Costs shall be determined by the Superior Court, and the Superior Court's determination on these amounts shall be final and binding, and that the Superior Court's approval or denial of any amount requested does not void or nullify this Settlement as these items are not conditions of this Settlement, and are to be considered separate and apart from the fairness, reasonableness, and adequacy of this Settlement.

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

- a.** Within fourteen (14) calendar days after entry of the Preliminary Approval Order, Defendant shall deliver to the Settlement Administrator an electronic database, which will list for each Class Member: (1) first and last name; (2) last known mailing address; (3) social security number; (4) hire and termination dates;

and (5) the total number of workweeks during which the Class Member performed work during the Class Period as a member of the Class (“Database”). If any or all of this information is unavailable to Defendant, Defendant will so inform Class Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon how to deal with the unavailable information. The Settlement Administrator will conduct a skip trace for the address of all former employee Class Members. The Database shall be based on Defendant’s payroll, personnel, and other business records. The Settlement Administrator shall maintain the Database and all data contained within the Database as private and confidential.

- b. Within fourteen (14) days after receipt of this information from Defendant, the Settlement Administrator will mail the Class Notice to all identified Class Members via first-class regular U.S. Mail, using the mailing address information provided by Defendant and the results of the skip trace performed on all former employee Class Members.
- c. If a Class Notice is returned because of an incorrect address, within ten (10) calendar days from receipt of the returned Notice, the Settlement Administrator will conduct a search for a more current address for the Class Member and re-mail the Class Notice to the Class Member. The Settlement Administrator will use the National Change of Address Database and skip traces to attempt to find the current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Class Notice is returned by U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address; and promptly re-mailing to Class Members for whom new addresses are found. If the Settlement Administrator is unable to locate a better address, the Class Notice shall be re-mailed to the original address. If the Class Notice is re-mailed, the Settlement Administrator will note for its own records the date and address of each re-mailing.
- d. The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendant’s Counsel of the number of Notices mailed, the number of Notices returned as undeliverable, the number of Notices re-mailed, and the number of requests for exclusion received.

- e. No later than fourteen (14) calendar days after the Response Deadline, the Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Settlement. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel no later than ten (10) calendar days before the Final Approval hearing. Before the Final Approval hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.
- f. Plaintiff agrees that any employee data provided by Defendant to the Settlement Administrator for purposes of this Settlement will be kept confidential.

3. Objections to Settlement. The Class Notice will provide that the Class Members who wish to submit a written objection to the settlement, must have the objection signed and dated, and must have the objections faxed and/or mailed to the Settlement Administrator postmarked no later than the Response Deadline. Class Members will be sent an Objection Form attached hereto as Exhibit B. The timeframe to submit an objection will not be increased for returned mailings.

- a. **Format.** Any Objections shall state: (a) the objecting person's full name, address, and telephone number; (b) the words "Notice of Objection" or "Formal Objection" or other words to clearly indicate they are objecting to the Settlement; (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) the objector may call to testify at the Final Approval hearing; and (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval hearing.
- b. **Confirmation of Authenticity.** If there is a question about the authenticity of a signed objection, the Settlement Administrator may demand additional proof of the Class Member's identity.
- c. **Appearance at Final Approval Hearing.** Class Members may (though are not required to) appear at the Final Approval Hearing, either in person or through the objector's own counsel to state his/her reasons for objecting to the terms of the Settlement regardless of whether they have submitted a written objection.
- d. **No Objection by Plaintiff.** Plaintiff agrees not to object to the settlement.

4. Request for Exclusion from the Settlement (“Opt-Out”). The Class Notice Packet will include an Request For Exclusion Form substantially in the form attached hereto as Exhibit C which will allow Class Members who wish to exclude themselves from the Settlement to mail to the Settlement Administrator a written request for exclusion. The written request for exclusion must: (a) state the Class Member’s name, address, telephone number, and last four digits of the Class Member’s social security number or employee identification number; (b) state the Class Member’s intention to exclude themselves from or opt-out of the Settlement; (c) be addressed to the Settlement Administrator; (d) be signed by the Class Member or his or her lawful representative; and (e) be postmarked no later than the Response Deadline. Class Members may not both object to the settlement and request to exclude themselves. If Class Members submit an objection and a request for exclusion, the Settlement Administrator will contact them to determine which type of response they would like to submit and to re-submit such response.

a. Confirmation of Authenticity. If there is a question about the authenticity of a signed request for exclusion, the Settlement Administrator may demand additional proof of the Class Member’s identity. Any Class Member who returns a timely, valid, and executed request for exclusion will not participate in or be bound by the Settlement and subsequent judgment and will not receive an Individual Settlement Share. A Class Member who does not complete and mail a timely request for exclusion will automatically be included in the Settlement, will receive an Individual Settlement Share, and be bound by all terms and conditions of the Settlement, if the Settlement is approved by the Court, and by the subsequent judgment, regardless of whether he or she has objected to the Settlement.

b. Report. No later than ten (10) calendar days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Notices mailed to Class Members, the number of Notices returned as undeliverable, the number of Notices re-mailed to Class Members, the number of re-mailed Notices returned as undeliverable, the number of Class Members who objected to the Settlement and copies of their submitted objections, the number of Class Members who returned valid requests for exclusion, and the number of Class Members who returned invalid requests for exclusion.

c. No Opt-Out By PAGA Members. This Opt-Out procedure is available to Class Members to opt-out of the non-PAGA claims

only. PAGA Members may not opt-out of with respect to any PAGA claims alleged or released.

d. No Opt-Out By Plaintiff. Plaintiff agrees not to opt-out of the settlement.

5. Defendant's Option to Terminate. If more than five percent (5%) of the Class Members submit requests for exclusion, Defendant, at its sole option, may nullify the Settlement within thirty (30) calendar days of receiving notice that 5% or more of the Settlement Class Members timely and properly requested exclusion from the Settlement.

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

7. Motion for Final Approval.

a. Class Counsel will file motions and memorandums in support of and for Final Approval of the Settlement and the following payments in accord with the terms of the Settlement and the Preliminary Approval Order: (1) the Attorney Fee Award; (2) the Cost Award; (3) Administrative Costs; (4) the Class Representative Incentive; and (5) PAGA Payment. Class Counsel will also move the Court for an order of Final Approval (and associated entry of judgment) releasing and barring any Released Claims of the Class Members who do not opt out of the Settlement.

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

8. Waiver of Right to Appeal. Provided that the judgment is consistent with the terms and conditions of this Settlement, if Class Members do not timely object to the Settlement, then the Parties and their respective counsel waive any and all rights to appeal from the judgment, including, but not limited to, all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate or set aside judgment, and any extraordinary writ, and the judgment will become non-appealable at the time it is entered. The

waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceeding, or post-judgment proceeding.

9. Disbursement of Settlement Shares and Payments. Subject to the Court finally approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Settlement and the Superior Court's Final Approval Order and judgment. The maximum amount Defendant can be required to pay or cause to be paid under this Settlement for any purpose is the Gross Settlement Amount. The Settlement Administrator shall keep Defendant's Counsel and Class Counsel apprised of all distributions from the Gross Settlement Amount. The Settlement Administrator shall respond to questions from Defendant's Counsel and Class Counsel. No person shall have any claim against Defendant, Defendant's Counsel, Plaintiff, Class Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Settlement.

a. Funding the Settlement: No later than thirty (30) calendar days after the Effective Date Defendant shall pay or cause to be paid the Gross Settlement Amount of Four Hundred Fifty Thousand Dollars (\$450,000.00) into the Qualified Settlement Fund set up by the Settlement Administrator by wiring the funds. Defendant shall also at this time provide any tax information that the Settlement Administrator may need to calculate each Participating Class Member's and PAGA Member's Individual Settlement Share.

b. Disbursement: The Settlement Administrator shall calculate and pay all payments due under the Settlement, including all Individual Settlement Shares, the Attorney Fee Award, the Cost Award, the Class Representative Incentive, the PAGA Payment, and the Administration Costs within fifteen (15) calendar days of the Effective Final Settlement Date. The Settlement Administrator will forward a check for 75% of the PAGA Payment to the LWDA for settlement of the PAGA claim. After such payment, Defendant and the Released Parties shall have no liability for the Released Claims brought by or on behalf of Participating Class Members during the Class Period.

10. Uncashed Checks. Participating Class Members must cash or deposit their Individual Settlement Share checks within one hundred and eighty (180) calendar days after the checks are mailed to them. If any checks are not redeemed or deposited within ninety (90) calendar days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) calendar days, it will expire and become non-negotiable, and offer to replace the

check if it was lost or misplaced. If any checks remain uncashed or not deposited by the expiration of the 180-day period, or 90-day period after mailing the reminder notice, whichever is earlier, the Settlement Administrator will distribute these funds Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code §1500, et. seq. for the benefit of those Participating Class Members and PAGA Members who did not cash their checks until such time that they claim their property

11. Final Report by Settlement Administrator. Within ten (10) calendar days after the final disbursement of all unclaimed funds to the California State Controller's Office, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds.

12. Defendant's Legal Fees. Defendant is responsible for paying for all of Defendant's own legal fees, costs, and expenses incurred in the Action outside of payments to the Gross Settlement Amount pursuant to this Settlement.

K. Release of Claims. Upon the funding of the Gross Settlement Amount, the Releasing Parties, including all Class Members who do not submit a valid and timely request for exclusion shall release the Released Parties from the Released Claims that arose during the Class Period. Participating Class Members agree not to sue or otherwise make a claim against any of the Released Parties for any of the Released Claims. Also upon the funding of the Gross Settlement Amount, the Releasing Parties, including all PAGA Members, shall release the Released Parties from all PAGA claims alleged or released under the Released Claims. PAGA Members agree not to sue or otherwise make a claim against of the Released Parties for any PAGA claim released.

L. Plaintiff's Release of Claims and General Release. Plaintiff will provide a separate and confidential general release and settlement agreement in consideration for the Class Representative Incentive Payment to the Plaintiff in an amount up to \$5,000.00 (Five Thousand Dollars and No Cents), in recognition of his work and efforts in obtaining the benefits for the Class, and undertaking the risk for the payment of costs in the event the Action had not successfully resolved.

M. Miscellaneous Terms

1. No Effect on Employee Benefits. The Class Representative Incentive Payment and/or Individual Settlement Shares paid to Plaintiff and Participating Class Members and PAGA Members shall not be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any employee benefits (*e.g.*, vacation, holiday pay, retirement plans, etc.). The Parties agree that any Class Representative Incentive and/or Individual Settlement Shares paid under the terms of this

Settlement do not represent any modification of employees' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendant. Further, any Class Representative Incentive Payments shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by Defendant.

- 2. Non-Disclosure and Non-Publication.** Plaintiff and Class Counsel agree not to disclose or publicize the Settlement its terms or contents, or the negotiations underlying the Settlement except as required to effectuate the settlement including communications with the Class Members, the Court, and the Settlement Administrator. Class Counsel may discuss the terms of this Settlement in declarations submitted to a court to establish their adequacy to serve as class counsel, in declarations submitted to a court in support of motions for preliminary approval, final approval, for attorneys' fees/costs, and any other pleading filed with the Court in conjunction with the Settlement, and in discussions with Class Members in the context of administering this Settlement. Nothing in this paragraph shall prevent Class Counsel from carrying out their duties as such. This paragraph does not prevent Class Counsel from posting on its website the amount of the settlement without referencing Defendant and Defendant's counsel directly or indirectly. However, Class Counsel shall not reference this settlement by name on their website or circulate court filings from the Action except as necessary to effectuate the settlement or in furtherance thereof.
- 3. Integrated Agreement.** After this Settlement is signed and delivered by all Parties and their counsel, this Settlement and its exhibits will constitute the entire Settlement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Settlement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Settlement and its exhibits. Notwithstanding any provision in this Settlement to the contrary, this Settlement does not replace or supersede any arbitration agreement or other confidentiality or non-disclosure or other individual agreement between the Parties.
- 4. Authorization to Enter Into Settlement.** Class Counsel and Defendant's Counsel warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Settlement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of

any document needed to implement this Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Settlement.

- 5. Exhibits and Headings.** The terms of this Settlement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth in this Settlement. Any exhibits to this Settlement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Settlement are inserted for convenience of reference only and do not constitute a part of this Settlement.
- 6. Amendment or Modification of Agreement.** This Settlement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties or their successors-in-interest.
- 7. Agreement Binding on Successors and Assigns.** This Settlement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.
- 8. No Prior Assignment.** Plaintiff hereby represents, covenants, and warrants that he has not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights released and discharged in this Settlement.
- 9. Applicable Law.** All terms and conditions of this Settlement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.
- 10. Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Settlement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Settlement through arms-length negotiations, taking into account all relevant factors, current and potential.
- 11. No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Settlement. Class Members and PAGA Members, including Plaintiff, and Class Counsel, will assume any tax obligations or consequences that may arise from this Settlement, hold the Released Parties harmless, and will not seek

any indemnification from the Parties or any of the Released Parties regarding any such tax obligations or consequences. In the event that any taxing body determines that additional taxes are due from any Class Member, including Plaintiff, or Class Counsel, such individuals or entities assume all responsibility for the payment of such taxes.

12. Jurisdiction of the Superior Court. The Superior Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Settlement and all orders and judgment entered in connection with this Settlement, and the Parties and their counsel submit to the jurisdiction of the Superior Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Settlement and all orders and judgments in connection with this Settlement.

13. Invalidity of Any Provision; Severability. Before declaring any provision of this Settlement invalid, the Parties request that the Superior Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Settlement valid and enforceable. In the event any provision of this Settlement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected.

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

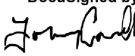
15. Execution in Counterpart. This Settlement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF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

IV. EXECUTION BY PARTIES

The Parties, after consultation with their respective counsel, fully and voluntarily agree to and execute this Settlement.

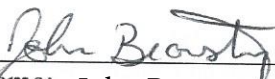
Dated: 10/13/2021

Tommy Carrillo

DocuSigned by:

B5AB318104FD43F...

Dated: 10/14/21

Weartech International, Inc.



Name: John Bronstrup
Title: Chief Executive Officer

Exhibit A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Carrillo v. Weartech International, Inc

Orange County Superior Court Case No. 30-2020-0115133-CU-OE-CXC

**THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.
PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**

To: All individuals employed in an hourly or non-exempt position by Weartech International, Inc. in the State of California at any time from July 27, 2016, and [Date of Preliminary Approval]

BASIC INFORMATION

1. What is this settlement about?

A lawsuit has been commenced by Tommy Carrillo (“Plaintiff”) against Defendant Weartech International, Inc. (“Defendant” or “Weartech”). The case is currently pending in the Orange County Superior Court, Case No. 30-2020-0115133-CU-OE-CXC

The lawsuit claims that Defendant violated sections of the California Labor Code and California Business and Professions Code. Specifically, Plaintiff alleges that Defendant failed to provide compliant meal and rest periods and associated premium pay, did not properly pay employees all wages owed for time worked including overtime, did not provide accurate wage statements, did not timely pay all wages during employment and all wages owed at termination of employment, failed to pay employees for vacation time, and maintained unfair business practices. The settlement also seeks to recover penalties pursuant to the California Private Attorneys General Act (“PAGA”). The lawsuit claims that the Defendant violated the California Labor Code and the California Business and Professions Code, entitling Class Members are entitled to, *inter alia*, damages, penalties, and restitution.

Defendant denies all alleged violations and denies that it owes Class Members any remedies. The Court has not made a ruling on the merits of the case.

2. Why is this a class action?

In a class action, one or more people, called the Class Representative(s), sue on behalf of people who appear to have similar claims. All these people are referred to as Class Members. In a class action, one court resolves the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The Orange County Superior Court is in charge of this class action.

3. Why is there a settlement?

The Court has not decided in favor of the Plaintiff or Defendant. Instead, both sides agreed to a settlement which is memorialized in the Joint Stipulation and Settlement Agreement (“Agreement” or “Settlement”). On [DATE OF PRELIMINARY APPROVAL] the Court granted preliminary approval of the Settlement, appointed Tommy Carrillo as the Class Representative, and appointed his attorneys at Protection Law Group as counsel for the Class (“Class Counsel”).

The Class Representative and Class Counsel think the Settlement is best for the Class.

WHO IS IN THE SETTLEMENT?

4. How do I know if I am part of the settlement?

You are part of the Settlement, and a Class Member, if you were employed by Defendant as an hourly-paid or non-exempt employee in the state of California at any time between July 27, 2016, and [Date of Preliminary Approval]

THE SETTLEMENT BENEFITS—WHAT YOU GET

5. What does the settlement provide?

The Settlement provides that Defendant will pay a maximum of Four Hundred and Fifty Thousand Dollars (\$450,000) (“Gross Settlement Amount”). This includes all costs and attorneys’ fees for Class Counsel.

The “Net Settlement Amount” is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Amount is the Gross Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys’ Fees to Class Counsel** not to exceed thirty-three percent (33%) of the Gross Settlement Amount or One Hundred and Forty-Eight Thousand Five Hundred Dollars (\$148,500.00);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Fifteen Thousand Dollars (\$15,000.00);
- C. **Enhancement Payment to the Class Representatives** in an amount not to exceed Five Thousand Dollars (\$5,000) for Plaintiff Carrillo;
- D. **Settlement Administration Costs** which are currently estimated to be Ten Thousand Dollars (\$10,000); and
- E. **PAGA Payment** in the amount of Thirty-Five Thousand Dollars (\$35,000) for the settlement of claims arising under the Private Attorney’s General Act of 2004 (PAGA). Seventy-Five percent (75%) of this amount, (\$26,250) shall be paid to the LWDA. The remaining twenty-five percent (25%) (\$8,750) will be distributed to hourly-paid or non-exempt employees who worked for Defendant in the State of California at any time between July 27, 2019, and [Date of Preliminary Approval] for the release of their claims arising under PAGA.

The amount you are eligible to receive from the settlement, your “Individual Settlement Payment” will be determined on a *pro rata* basis, based on the number of weeks you worked in California as an hourly-paid, non-exempt employee of Defendant from July 27, 2016 to [Date of Preliminary Approval] (“Workweeks”). Your Individual Settlement Payment includes both your estimated share of the Net Settlement Amount and, if eligible, your share of the PAGA Payment.

Your Individual Settlement Payment will be apportioned as twenty-five percent (25%) wages, seventy-five percent (75%) penalties and interest. The wage portion of the Individual Settlement Payment will be subject to withholding for the employee taxes and will be reported on a W-2 Form. Employer-side payroll taxes shall be paid separately from and in addition to the Gross Settlement Amount. The penalties and interest portions of each class member’s settlement payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

You worked XXX workweeks during the class period. Your Individual Settlement Payment is \$XXX.XX. This amount is an estimate and is subject to change depending on the payments approved by the Court and other potential factors.

This amount was determined based on Defendant’s record of your employment between July 27, 2016, and [Date of Preliminary Approval] and is presumed correct. If you dispute the accuracy of Defendant’s records as to the number

of weeks worked during the Class Period, provide any documentation you have supporting such dispute to the Settlement Administrator at the address below by [Response Deadline]. All disputes regarding your workweeks will be resolved and decided by the Parties, or if the Parties cannot agree, the Court, after you submit evidence to the Settlement Administrator. The Settlement Administrator's contact information is listed below:

[Settlement Administrator]

[Address]

[Telephone No].

[Fax No.]

HOW TO GET A PAYMENT FROM THE SETTLEMENT

6. How can I get a payment?

You do not have to do anything to qualify for a payment of your portion of the Settlement.

7. What am I giving up if I do not request to be excluded from the Settlement?

Upon the funding of the Gross Settlement Amount by Defendant, in exchange for the consideration set forth by the Settlement, Class Members who do not submit a timely request for exclusion and the "Releasing Parties" will release the "Released Parties" from the "Released Claims" for the "Class Period."

The "Releasing Parties" include Plaintiff, all Participating Class Members, all PAGA Members, and all persons purporting to act on behalf of any such individuals or purporting to assert a claim under or through them, including but not limited to, their dependents, spouses, attorneys, heirs and assigns, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, representatives, agents, and successors-in-interest, whether individual, class, representative, legal, equitable, direct or indirect, or any other type or in any other capacity.

The "Released Parties" include Defendant Weartech International, Inc. and any of its current, former, and future parent, subsidiary, and affiliated companies, and its/their agents, officers, shareholders, directors, employees, including successors and assigns, related or affiliated companies' predecessors and successors; and, with respect to all such entities, all of its/their past and present employees, officers, directors, stockholders, owners, representatives, assigns, attorneys, agents, insurers, employee benefit programs (and the trustees, administrators, fiduciaries and insurers of such programs) and any other persons acting by, through, under or in concert with any such persons or entities..

The "Released Claims" include any and all causes of action, claims, rights, damages, penalties, interest, attorneys' fees, costs, liabilities, expenses, and losses arising from the facts alleged in both the Notice provided to the LWDA and in the operative complaint in the Action or which could have been alleged based upon such facts including, but not limited to: (a) any alleged failure by Defendant to pay overtime wages, minimum wages, vacation pay, or any other wages due; (b) any alleged failure by Defendant to timely pay wages at termination or during employment; (c) any alleged failure by Defendant to provide meal or rest periods or to pay meal or rest period premiums; (d) any alleged failure by Defendant to provide compliant wage statements; (e) any right or claim for civil penalties pursuant to the Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698 *et seq.*, based upon the facts alleged in both the Notice provided to the LWDA and subsequently pled in the operative complaint; (f) any right or claim for unfair business practices in violation of California Business & Professions Code § 17200 *et seq.* arising from or related to the facts alleged in the operative complaint; and (g) any violation or breach of the California Labor Code arising from the conduct alleged in the operative complaint, including without limitation, Labor Code Sections 201, 202, 203, 204, 226, 226.3, 226.7, 227.3, 510, 512, 1174, 1194, 1197, 1197.1, and 1198, or any other federal, state or local statute, wage order, rule, regulation, or similar causes of action that could have arisen based upon the facts alleged in the operative complaint in the Action. Notwithstanding the above, the Parties understand and agree that the release in this

Settlement does not apply to (i) those rights that as a matter of law cannot be released and/or waived, including, but not limited to, workers' compensation claims; (ii) rights or claims that may arise after the close of the Class Period; and (iii) rights or claims regarding enforcement of this Settlement.

The "Class Period" during which the release of Released Claims pertains is from July 27, 2016, and [Date of Preliminary Approval]

All Class Members will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged any and all Released Claims arising under PAGA with respect to all of the Released Parties irrespective of whether a Class Member submits a request for exclusion.

EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS

If you want to keep the right to sue or continue to sue Defendant with respect to the Released Claims (other than those which arise under the Private Attorney General Act (California Labor Code sections 2698 *et seq.*) which you cannot exclude yourself from), then you must submit a request for exclusion in conformity with the requirements set forth herein. If you exclude yourself, you will not receive payment from Net Settlement Amount. However, if eligible, you will still receive a payment in an amount equal to your estimated *pro rata* share of the PAGA Payment because the Request for Exclusion does not apply to this claim.

8. How can I not participate in the Settlement?

To exclude yourself from the release of Released Claims, other than those which arise under the Private Attorney General Act (California Labor Code sections 2698 *et seq.*) you must submit a written request for exclusion. A Request for Exclusion Form has been sent to you along with this Notice. You must complete all information on this form or submit a separate written request for exclusion that includes your name, address, telephone number and the last four digits of your social security number and/or employee ID number. Your request for exclusion must also include a statement that you do not wish to be included in this action similar to the following: "I wish to exclude myself from the class action settlement reached in the matter of *Carrillo v. Weartech International, Inc.* I understand that by excluding myself I will not receive money from the class portion of the settlement."

Your Request for Exclusion Form or separate written request for exclusion must be mailed to the Settlement Administrator at the address listed below, post-marked by [DATE]. You cannot exclude yourself by phone or any means other than those described in this Notice.

[Settlement Administrator]
[Address]

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Amount and you cannot object to the Settlement. You will not be legally bound by the release of Released Claims (except for Released Claims that arise under the Private Attorney General Act (California Labor Code sections 2698 *et seq.*)).

You may be able to sue Defendant and/or the Released Parties or continue any suit you have pending against Defendant or the Released Parties, regarding the Released Claims (except for Released Claims that arise under the Private Attorney General Act (California Labor Code sections 2698 *et seq.*)).

9. If I don't exclude myself, can I sue Defendant for the same thing later?

No. Unless you submit a request for exclusion, you give up the right to sue Defendant and Released Parties for the Released Claims. If you have a pending lawsuit involving the Released Claims, speak to your lawyer in that lawsuit immediately.

10. If I exclude myself, can I get money from this settlement?

You will not receive money for the class claims. You will still receive your portion of the PAGA Payment if eligible because the request for exclusion does not apply to this claim.

THE LAWYERS REPRESENTING YOU

11. Do I have a lawyer in this case?

The Court has approved Protection Law Group, LLP as Class Counsel. The firm's contact information is set forth below:

PROTECTION LAW GROUP LLP

Heather Davis, Esq.
Amir Nayebdadash, Esq.
237 California Street
El Segundo, California 90245
Telephone: (424) 290-3095

Class Counsel will ask the Court for attorneys' fees of up to \$148,500 and reimbursement of litigation cost/expenses of up to \$15,000. These amounts are subject to Court approval and the Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

You can object to the Settlement or some part of it.

12. How do I tell the Court I want to object to the settlement?

If you are a Class Member, you can object to the Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your views. An Objection Form has been included with this Notice. To object, you must mail your objection to the Settlement Administrator no later than [Response Deadline]. Your objection must include your full name, address, telephone number, and the specific reason for your objection. You must also identify any witnesses you intend to call in support of your objection at the Final Approval Hearing and provide copies of any exhibits you intend to present. You may come to the Final Approval Hearing on [Response Deadline] and make an objection at that time, regardless of whether you submitted a written objection.

13. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing"). You may attend, but you do not have to attend.

14. When and where will the Court decide whether to approve the settlement?

The Court will hold the Final Approval Hearing at [redacted] a.m./p.m. on [redacted], 2022], at the Orange County Superior Court located at 751 W Santa Ana Blvd, Santa Ana, CA 92701 in Department CX102.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them.

15. Do I have to come to the hearing?

No. If you agree to the Settlement you do not have to come to Court to talk about it. However, you may attend. You may also retain your own lawyer at your expense to attend on your behalf.

16. How will I learn if the settlement was approved

A notice of final judgment will be posted on the Settlement Administrator website located at www.occourts.org

IF YOU DO NOTHING

17. What happens if I do nothing at all?

If you do nothing, you will receive your share of the Settlement, and you will release the Released Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendant or Released Parties about the Released Claims, ever again. Your Individual Settlement Payment will be mailed to you and remain valid and negotiable for 180 days. If you do not cash your settlement check within 180 days from the date on the check, these funds will be transferred to the Controller of the State of California's Unclaimed Property Fund. You may then claim these funds from there.

If you lose your check or it is damaged in the mail, contact the Settlement Administrator.

GETTING MORE INFORMATION

18. How do I get more information?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by viewing the settlement located on the Settlement Administrator's website at www.occourts.org or by contacting the Settlement Administrator or Class Counsel. You may also review the documents that have been filed in this matter with the Court (for a fee) on the Court's website: <https://www.occourts.org/online-services/case-access>

WHAT IF MY INFORMATION CHANGES?

19. What if my contact information changes ?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE

Exhibit B

OBJECTION FORM

Carrillo v. Weartech International, Inc.

Orange County Superior Court, Case No. 30-2020-0115133-CU-OE-CXC

INSTRUCTIONS: If you wish to tell the Court that you do not like the Settlement or some part of it, you may make an objection by completing, signing and returning this Objection Form to the Settlement Administrator at the address listed below. Please state each reason for your objection and any legal support for your objection. You must sign and complete this form accurately and in its entirety. Additionally, you must provide copies of any Exhibits you intend to submit at the Final Approval Hearing. You must mail this form to the Settlement Administrator at the address below so that it is postmarked on or before **[insert Response Deadline]**.

Settlement Administrator

Settlement Administrator Address

The Court will consider your objection at the Final Approval Hearing if you submit a timely and valid written statement of objection. All of the information on this form is required. Additionally you must provide copies of any Exhibits you intend to submit to the Court. Even if you submit an objection, you will (1) be bound by the terms of the Settlement, including the release of Released Claims, unless the Court does not approve the Settlement; and (2) receive your share of the penalties allocated to you based on the settlement of the California Private Attorneys General Act of 2004 (“PAGA”) claim in the Action, as approved by the Court. You cannot object to the Settlement if you request exclusion from the Settlement. You may come to the Final Fairness Hearing and be heard even if you do not complete this form.

1. CONTACT INFORMATION

First and Last Name: _____

Home Address: _____

Home Telephone Number: (____) _____

2. REASON FOR OBJECTION

Please state each reason you do not like the Settlement and any legal support for your objection:

3. POTENTIAL WITNESSES

Signed: _____ Dated: _____

Print Name: _____

Exhibit C

1 **REQUEST FOR EXCLUSION FROM THE SETTLEMENT**

2 *Carrillo v. Weartech International, Inc.,*

3 Orange County Superior Court, Case No. 30-2020-0115133-CU-OE-CXC

4 **IF YOU COMPLETE THIS FORM YOU WILL NOT RECEIVE YOUR SHARE OF**
5 **CLASS SETTLEMENT BENEFITS UNDER THE SETTLEMENT**

6 **DO NOT COMPLETE THIS FORM IF YOU WANT TO PARTICIPATE IN THE**
7 **SETTLEMENT**

8 ***TO BE EXCLUDED FROM THE SETTLEMENT, THIS REQUEST FOR EXCLUSION FORM MUST BE SIGNED***
9 ***AND MAILED TO THE SETTLEMENT ADMINISTRATOR VIA U.S. MAIL POSTMARKED ON OR BEFORE***
10 ***_____, 2021***

11 _____
12 **INSTRUCTIONS**

13 **If you do not want to participate in this lawsuit and Settlement**, you may “opt out” of the
14 Settlement. If you opt out of this lawsuit and the Settlement, (a) you will have no right to receive
15 a payment from the class settlement; (b) you will not be bound by the terms of the Settlement; and
16 (c) you will have no right to object to the Settlement and be heard at the Final Approval hearing.

17 If you were employed at any time between July 27, 2019, and [DATE OF PRELIMINARY
18 APPROVAL] you will still receive your share of penalties arising under the California Private
19 Attorneys General Act of 2004 (“PAGA”) claim because the opt-out provision does not apply to
20 this claim. However, you will not receive your share of the settlement for the class claims.

21 To opt out, you must fill out all information in the section below, sign, and return this Request for
22 Exclusion Form to the Settlement Administrator at the address below. To be timely, your Request
23 for Exclusion Form must be postmarked **on or before [insert Response Deadline]**

24 _____
25 Settlement Administrator.
26 Settlement Administrator Address

27 **OPT OUT SIGNATURE**

28 By signing this Request for Exclusion Form, I wish and hereby exclude myself from the class
settlement reached in the matter of *Carrillo v. Weartech International, Inc.* By signing this
Request for Exclusion Form, I understand that I will not receive money from the class portion of
the settlement and cannot object to the Settlement or to be heard at the Final Approval hearing.

Signed: _____ Dated: _____

Print Name: _____

Address: _____

Home Telephone Number: _____

Last 4 Digits of Social Security Number or Employee ID: _____