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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO**

DANIELA GARIBAY, individually, and on
behalf of other members of the general public
similarly situated,

Plaintiff,

vs.

PACIFIC STEEL GROUP, a California
corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: CIVDS2011129

**JOINT STIPULATION OF CLASS ACTION
AND PAGA SETTLEMENT AND RELEASE**

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

This Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement” or “Settlement Agreement”) is made and entered into by and between Plaintiffs Daniela Garibay, Darren Morris, Brandon Gay, and Israel Berber (“Plaintiffs” or “Class Representatives”), as individuals and on behalf of all other non-exempt employees, and Defendant Pacific Steel Group (“Defendant”) (collectively with Plaintiffs, the “Parties”).

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Actions” means *Daniela Garibay v. Pacific Steel Group*, No. CIVDS2011129 (San Bernardino County Superior Court) (“Garibay Action”); *Brandon Gay and Israel Berber v. Pacific Steel Group*, No. 20-cv-08442-HSG (N.D. Cal.) (“Gay/Berber Class Action”); *Israel Berber v. Pacific Steel Group*, No. 21-cv-03446-HSG (N.D. Cal.) (“Berber PAGA Action”); *Morris v. Pacific Steel Group*, No. 37-2020-00021541-CU-OE-CTL (San Diego County Superior Court) (“Morris Action”).

2. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of the Actions, and all out-of-pocket costs incurred and to be incurred by Class Counsel in the Actions, including but not limited to expert/consultant fees, investigation costs, and costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court’s approval of the Settlement, administering the Settlement, and obtaining entry of a Judgment terminating the Actions. Class Counsel will request attorneys’ fees not in excess of One Million Two Hundred Twenty Five Thousand Dollars (\$1,225,000). The Attorneys’ Fees and Costs will also mean and include the additional reimbursement of any costs and expenses associated with Class Counsel’s litigation and settlement of the Actions, up to One Hundred Thousand Dollars (\$100,000), subject to the Court’s approval. Defendant has agreed not to oppose Class Counsel’s request for fees and reimbursement of costs as set forth above.

3. “Class Counsel” means Capstone Law APC; Diversity Law Group, P.C.; Polaris Law Group, LLC; Hyun Legal, APC; and Lawyers *for* Justice, PC.

4. “Class List” means a complete list of all Class Members that Defendant will diligently

and in good faith compile from its records and provide to the Settlement Administrator and Class Counsel within twenty (20) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in Microsoft Office Excel and will include each Class Member's full name; most recent mailing address; Social Security number; dates of employment; and the respective number of Workweeks that each Class Member worked during the Class Period and PAGA Period.

5. "Class Member(s)" or "Settlement Class" means all current and former non-exempt workers employed by Defendant in the State of California and worked at least one day during the Class Period.

6. "Class Notice" means the Notice of Class Action Settlement, substantially in the form attached as Exhibit A.

7. "Class Period" means the period from April 6, 2016, through July 11, 2024.

8. "Class Representative Enhancement Payments" means the amounts to be paid to Plaintiffs in recognition of their effort and work in prosecuting the Actions on behalf of Class Members, and for their general release of claims. Subject to the Court granting final approval of this Settlement Agreement and subject to the exhaustion of any and all appeals, Plaintiffs will request Court approval of Class Representative Enhancement Payments of up to Ten Thousand Dollars (\$10,000), each.

9. "Court" means the San Bernardino County Superior Court.

10. "Defendant" means Defendant Pacific Steel Group.

11. "Effective Date" means the later of: (a) this Settlement Agreement has been executed by Plaintiffs and Defendant; (b) Notice of the Settlement has been sent to the LWDA; (c) the Court has given approval to the Settlement; (d) the Court has entered its Final Order and Judgment; and (e) the later of the following events: (i) when the period for filing any appeal, writ, or other appellate proceeding opposing approval of the judgment approving the settlement has elapsed (i.e., 60 days from entry of judgment) without any appeal, writ, or other appellate proceeding having been filed; (ii) when any appeal, writ or other appellate proceeding opposing the Settlement has been dismissed finally and conclusively with no right to pursue further remedies or relief; or (iii) when any appeal, writ or other appellate proceeding has upheld the Court's Final Order and Judgment with no right to pursue further remedies or relief.

12. “Final Approval” means the date on which the Court enters an order granting final approval of the Settlement Agreement.

13. “Gross Settlement Amount” means the Gross Settlement Amount of Three Million Five Hundred Thousand Dollars (\$3,500,000), to be paid by Defendant in full satisfaction of all Released Class Claims and Released PAGA Claims, which includes all Individual Settlement Payments, Attorneys’ Fees and Costs, the Class Representative Enhancement Payments, the PAGA Settlement Amount, and Settlement Administration Costs. This Gross Settlement Amount has been agreed to by Plaintiffs and Defendant based on the aggregation of the agreed-upon settlement value of individual claims. In no event will Defendant be liable for more than the Gross Settlement Amount. There will be no reversion of the Gross Settlement Amount to Defendant. Defendant will be separately responsible for any employer payroll taxes required by law, including the employer FICA, FUTA, and SDI contributions, which shall not be paid from the Gross Settlement Amount.

14. “Individual Settlement Payment” means each Participating Class Member’s and PAGA Member’s respective shares of the Net Settlement Fund and PAGA Fund.

15. “Net Settlement Fund” means the portion of the Gross Settlement Amount remaining after deducting the Attorneys’ Fees and Costs, the Class Representative Enhancement Payments, the PAGA Settlement Amount, and Settlement Administration Costs. The Net Settlement Fund will be distributed to Participating Class Members. There will be no reversion of the Net Settlement Fund to Defendant.

16. “Notice of Objection” means a Participating Class Member’s valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector’s full name, signature, address, and telephone number, (b) a written statement of all grounds for the objection accompanied by any legal support for such objection; (c) copies of any papers, briefs, or other documents upon which the objection is based; and (d) a statement whether the objector intends to appear at the final fairness hearing. Participating Class Members may also object in person at the Final Approval Hearing.

17. “PAGA Members” means all current and former hourly, non-exempt workers employed by Defendant in the State of California and worked at least one day during the PAGA Period.

1 18. "PAGA Period" means the period from April 13, 2019, through July 11, 2024.

2 19. "PAGA Settlement Amount" means the amount that the Parties have agreed to pay to
 3 the Labor and Workforce Development Agency ("LWDA") and PAGA Members in connection with
 4 Plaintiffs' claim under the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698,
 5 *et seq.*, "PAGA") ("PAGA Settlement"). The Parties have agreed that Two Hundred Thousand Dollars
 6 (\$200,000) of the Gross Settlement Amount will be allocated to the PAGA Settlement. Pursuant to
 7 PAGA, Seventy-Five Percent (75%), or One Hundred Fifty Thousand Dollars (\$150,000), of the PAGA
 8 Settlement Amount will be paid to the California Labor and Workforce Development Agency ("Labor
 9 and Workforce Development Agency Payment"), and Twenty-Five Percent (25%), or Fifty Thousand
 10 Dollars (\$50,000) ("PAGA Fund"), of the PAGA Settlement will be disbursed to PAGA Members, and
 11 regardless whether they request to be excluded from the Settlement Class.

12 20. "Parties" means Plaintiffs and Defendant collectively.

13 21. "Participating Class Members" means all Class Members who do not submit timely and
 14 valid Requests for Exclusion.

15 22. "Plaintiffs" means Plaintiffs Daniela Garibay, Darren Morris, Brandon Gay, and Israel
 16 Berber. Plaintiff refers to any of the "Plaintiffs" individually.

17 23. "Preliminary Approval" means the date on which the Court enters an order granting
 18 preliminary approval of the Settlement Agreement.

19 24. "Released Class Claims" means all claims, rights, demands, liabilities, and causes of
 20 action, reasonably arising from, or reasonably related to, the same set of operative facts as those set forth
 21 in the Second Amended Complaint during the Class Period, including: (a) all claims for unpaid
 22 overtime; (b) all claims for meal and rest break violations and failure to pay premiums in lieu thereof; (c)
 23 all claims for unpaid minimum wages; (d) all claims for the failure to timely pay wages upon
 24 termination; (e) all claims for the failure to reimburse necessary business expenses; (f) all claims for the
 25 failure to timely pay wages during employment; (g) all claims for wage statement violations; (h) all
 26 claims for the failure to timely pay wages during employment, (i) all claims for failure to maintain
 27 accurate records; and (j) all claims asserted through California Business & Professions Code §§ 17200,
 28 *et seq.*

25. “Released PAGA Claims” means all claims for civil penalties under California Labor Code §§ 2698, *et seq.*, that were brought or could reasonably have been brought based on the same facts alleged in Plaintiffs’ LWDA letters during the PAGA Period including but not limited (a) all claims for unpaid overtime; (b) all claims for meal and rest break violations and failure to pay premiums in lieu thereof; (c) all claims for unpaid minimum wages; (d) all claims for the failure to timely pay wages upon termination; (e) all claims for the failure to reimburse necessary business expenses; (f) all claims for the failure to timely pay wages during employment; (g) all claims for wage statement violations; and (h) all claims for failure to maintain accurate records.

26. “Released Parties” means Defendant, its past or present officers, directors, shareholders, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and its respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys, if any.

27. “Request for Exclusion” means a timely letter submitted by a Class Member indicating a request to be excluded from the Settlement Class. The Request for Exclusion must: (a) set forth the name, address, telephone number and last four digits of the Social Security Number of the Class Member requesting exclusion; (b) be signed by the Class Member; (c) be returned to the Settlement Administrator; (d) clearly state that the Class Member does not wish to be included in the Settlement; and (e) be faxed, or postmarked on or before the Response Deadline. A Class Member (that is also a PAGA Member) that submits a valid and timely Request for Exclusion will not be excluded from the PAGA Settlement.

28. “Response Deadline” means the deadline by which Class Members must postmark or fax to the Settlement Administrator Requests for Exclusion, disputes concerning the calculation of Individual Settlement Payments, or Notices of Objection to the Settlement Administrator. The Response Deadline will be forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator, unless the forty-fifth (45th) calendar day falls on a Sunday or State holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.

29. “Settlement Administration Costs” means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to,

1 printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Gross
2 Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The
3 Settlement Administration Costs will be paid from the Gross Settlement Amount, including, if necessary,
4 any such costs in excess of the amount represented by the Settlement Administrator as being the
5 maximum costs necessary to administer the Settlement. Settlement Administration Costs are currently
6 estimated to be Thirty-Two Thousand Five Hundred Fifty Dollars (\$32,550).

7 30. "Settlement Administrator" means ILYM Group, Inc., or any other third-party class
8 action settlement administrator agreed to by the Parties and approved by the Court for the purposes of
9 administering this Settlement. The Parties each represent that they do not have any financial interest in
10 the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that
11 could create a conflict of interest.

12 31. "Workweeks" means the number of workweeks worked by each Class Member during
13 the Class Period. "Workweeks" does not include any workweek in which the Class Members and
14 PAGA Members did not work. All Class Members who worked at least one day during the Class Period
15 will be deemed to have worked during at least one Workweek during the Class Period, and all PAGA
16 Members who worked at least one day during the PAGA period will be deemed to have worked during
17 at least one Workweek during the PAGA Period.

18 TERMS OF AGREEMENT

19 The Plaintiffs, on behalf of themselves and the Settlement Class, and Defendant agree as
20 follows:

21 32. Second Amended Complaint. As a condition of settlement, Plaintiffs will file a Second
22 Amended Complaint ("SAC") in the Garibay Action to: (a) add Darren Morris, Brandon Gay, and Israel
23 Berber as named plaintiffs; and (b) conform the pleadings to encompass all claims raised in each of the
24 separate actions settled herein (i.e. the Garibay Action, the Gay/Berber Class Action, the Berber PAGA
25 Action, and the Morris Action) and conform with the scope of the Released Class Claims and Released
26 PAGA Claims. Defendant will not be required to file an answer or other responsive pleading to the SAC.
27 If, for any reason, the Court does not approve of the Settlement, or if the Settlement does not become
28 final for any reason, then the SAC will be deemed withdrawn and the First Amended Complaint will

again become the operative complaint without prejudice to Plaintiff Garibay's right to seek leave to file another amended complaint and without prejudice to Defendant's rights to object and/or challenge an amended pleading. Defendant does not impliedly or expressly waive any arguments or defenses to the SAC.

33. Funding of the Gross Settlement Amount. Defendant will make a one-time deposit of the Gross Settlement Amount of Three Million Five Hundred Thousand Dollars (\$3,500,000) into a Qualified Settlement Account to be established by the Settlement Administrator. Defendant will pay the employer's share of payroll taxes separately. After the Effective Date, the Gross Settlement Amount will be used for: (a) Individual Settlement Payments (which includes the Participating Class Members' and PAGA Members' share of the payroll taxes); (b) the Labor and Workforce Development Agency Payment; (c) the Class Representative Enhancement Payments; (d) Attorneys' Fees and Costs; and Settlement Administration Costs. Defendant will deposit the Gross Settlement Amount and the employer's share of payroll taxes within twenty (20) calendar days of the Effective Date ("Funding Date").

34. Dismissal of the Gay/Berber Action and Morris Action. Within five (5) business days after the Funding Date, Class Counsel will file a Notice of Dismissal with prejudice in the Gay/Berber Class Action as well as the Berber PAGA Action and a Request for Dismissal with prejudice in the Morris Action. To the extent either the Northern District of California or the San Diego Superior Court request additional filings to facilitate the dismissal of the Gay/Berber Class Action, Berber PAGA Action, or the Morris Action, Class Counsel will promptly submit all necessary documentations to facilitate dismissals with prejudice.

35. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application or motion for attorneys' fees and costs by Class Counsel for Attorneys' Fees and Costs of not more than 35% of the Gross Settlement Amount, which is currently estimated at One Million Two Hundred Twenty Five Thousand Dollars (\$1,225,000), plus the reimbursement of all out-of-pocket costs and expenses associated with Class Counsel's litigation and settlement of the Actions (including expert/consultant fees, investigations costs, etc.), not to exceed One Hundred Thousand Dollars (\$100,000), both of which will be paid from the Gross Settlement Amount. The award of attorneys' fees

will be divided between Class Counsel as follows: (a) one-third (1/3) to Capstone Law APC; (b) one-third (1/3) to Diversity Law Group, P.C., Polaris Law Group, LLC, Hyun Legal, APC, and Law Offices of Choi & Associates (which will be further divided as follows: 35% to Polaris Law Group, 21.67% to Diversity Law Group, 21.67% to Law Offices of Choi & Associates, and 21.66% to Hyun Legal); and (c) one-third (1/3) to Lawyers *for* Justice, PC.

36. Class Representative Enhancement Payments. In exchange for a general release, and in recognition of their effort and work in prosecuting the Actions on behalf of Class Members, Defendant agrees not to oppose or impede any application or motion for Class Representative Enhancement Payments of up to Ten Thousand Dollars (\$10,000) to each Plaintiff. The Class Representative Enhancement Payments will be paid from the Gross Settlement Amount and will be in addition to Plaintiffs' Individual Settlement Payment paid pursuant to the Settlement. Plaintiffs will be solely and legally responsible to pay any and all applicable taxes on the Class Representative Enhancement Payments. Plaintiffs understand and agree that this Settlement Agreement (and all terms contained herein, including the general release) shall remain in full force and effect even if the Class Representative Enhancement Payments provided for herein is not ultimately awarded by the Court.

37. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross Settlement Amount, which is currently estimated to be Thirty-Two Thousand Five Hundred Fifty Dollars (\$32,550). These costs, which will be paid from the Gross Settlement Amount, will include, *inter alia*, translating the Class Notice into Spanish, distributing the Class Notice, running skip traces on returned notices, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, calculating and distributing the Gross Settlement Amount, and providing necessary reports and declarations.

38. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount of Two Hundred Thousand Dollars (\$200,000) from the Gross Settlement Amount will be designated for satisfaction of Plaintiffs' PAGA claims. Pursuant to PAGA, Seventy-Five Percent (75%), or One Hundred Fifty Thousand Dollars (\$150,000), of this sum will be paid to the California Labor Workforce Development Agency ("LWDA") and Twenty-Five Percent (25%), or Fifty Thousand Dollars

1 (\$50,000), will be paid to PAGA Members in proportion to the number of Workweeks worked during
2 the PAGA Period.

3 39. No Right to Exclusion or Objections to the PAGA Settlement. Because this settlement
4 resolves claims and actions brought pursuant to PAGA by Plaintiffs acting as proxies and as Private
5 Attorneys General of, and for, the State of California and the LWDA, the Parties agree that no PAGA
6 Member has the right to be excluded from the terms of PAGA Settlement (including the release of the
7 Released PAGA Claims), and all PAGA Members will receive their shares of the PAGA Fund.

8 40. Net Settlement Fund. The entire Net Settlement Fund will be distributed to Participating
9 Class Members. No portion of the Net Settlement Fund will revert to or be retained by Defendant.

10 41. PAGA Fund. The entire PAGA Fund will be distributed to all PAGA Members. No
11 portion of the PAGA Fund will revert to or be retained by Defendant.

12 42. Individual Settlement Payment Calculations. Individual Settlement Payments will be
13 calculated and apportioned from the Net Settlement Fund and PAGA Fund based on the number of
14 Workweeks a Class Member worked during the Class Period and PAGA Period. Specific calculations of
15 Individual Settlement Payments will be made as follows:

16 42(a) Payments from the Net Settlement Fund. Defendant will calculate the total
17 number of Workweeks worked by each Participating Class Member during
18 the Class Period and the aggregate total number of Workweeks worked by
19 all Participating Class Members during the Class Period. To determine each
20 Participating Class Member's estimated "Individual Settlement Payment"
21 from the Net Settlement Fund, the Settlement Administrator will use the
22 following formula: The Net Settlement Fund will be divided by the
23 aggregate total number of Workweeks during the Class Period by
24 Participating Class Members, resulting in the "Workweek Value." Each
25 Participating Class Member's "Individual Settlement Payment" will be
26 calculated by multiplying each individual Participating Class Member's
27 total number of Workweeks by the Workweek Value. The Individual
28 Settlement Payment will then be distributed to each Participating Class

Member less any required deductions as specifically set forth herein, including employee-side tax withholdings or deductions. The entire Net Settlement Fund will be disbursed to all Participating Class Members. For Notice purposes, the Settlement Administrator will initially calculate an estimated Individual Settlement Payment based on the Class Members (i.e. presuming that 100% of the Class Members participate in the settlement). After final approval of the settlement, ff there are any valid and timely Requests for Exclusion, the Settlement Administrator shall calculate the Individual Settlement per the formula provided herein, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

42(b) Payments from the PAGA Fund. Defendant will calculate the total number of Workweeks worked by each PAGA Member during the PAGA Period and the aggregate total number of Workweeks worked by all PAGA Members during the PAGA Period. To determine each PAGA Member’s estimated “Individual Settlement Payment,” the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Workweeks during the PAGA Period, resulting in the “PAGA Workweek Value.” Each PAGA Member’s “Individual Settlement Payment” will be calculated by multiplying each individual PAGA Member’s total number of Workweeks by the PAGA Workweek Value. The entire PAGA Fund will be disbursed to all PAGA Members.

43. No Credit Toward Benefit Plans. The Individual Settlement Payments made to Participating Class Members under this Settlement, as well as any other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties’ intention that this Settlement Agreement will not affect any rights, contributions,

1 or amounts to which any Class Members may be entitled under any benefit plans.

2 44. Administration Process. The Parties agree to cooperate in the administration of the
3 settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in
4 administration of the Settlement.

5 45. Delivery of the Class List. Within twenty (20) calendar days of Preliminary Approval,
6 Defendant will provide the Class List to the Settlement Administrator and to Class Counsel.

7 46. Notice by First-Class U.S. Mail. Within ten (10) calendar days after receiving the Class
8 List from Defendant, the Settlement Administrator will mail a Class Notice to all Class Members via
9 regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class
10 List.

11 47. Confirmation of Updated Contact Information in the Class Lists. Prior to mailing, the
12 Settlement Administrator will perform a search based on the National Change of Address Database for
13 information to update and correct for any known or identifiable address changes. Any Class Notices
14 returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be
15 sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the
16 Settlement Administrator will indicate the date of such re-mailing on the Class Notice. If no forwarding
17 address is provided, the Settlement Administrator will promptly attempt to determine the correct address
18 using a skip-trace, or other search using the name, address and/or Social Security Number of the Class
19 Member involved, and will then perform a single re-mailing. Those Class Members who receive a re-
20 mailed Class Notice, whether by skip-trace or by request, will have either (a) an additional fifteen (15)
21 calendar days or (b) until the Response Deadline, whichever is later, to submit a Request for Exclusion
22 or an objection to the Settlement.

23 48. Class Notices. All Class Members will be mailed a Class Notice. Each Class Notice will
24 provide: (a) information regarding the nature of the Actions; (b) a summary of the Settlement's principal
25 terms; (c) the Settlement Class and PAGA Member definitions; (d) the total number of Workweeks each
26 respective Class Member and PAGA Member worked for Defendant during the Class Period and PAGA
27 Period; (e) each Class Member's and PAGA Member's estimated Individual Settlement Payment and
28 the formula for calculating Individual Settlement Payments; (f) the dates which comprise the Class

1 Period and PAGA Period; (g) instructions on how to submit Requests for Exclusion or Notices of
2 Objection; (h) the deadlines by which the Class Member must postmark or fax Request for Exclusions,
3 or postmark Notices of Objection to the Settlement; and (i) the claims to be released.

4 49. Disputed Information on Class Notices. Class Members will have an opportunity to
5 dispute the information provided in their Class Notices. To the extent Class Members dispute their
6 employment dates or the number of Workweeks on record, Class Members may produce evidence to the
7 Settlement Administrator showing that such information is inaccurate. Defendant's records will be
8 presumed correct, but the Settlement Administrator shall contact the Parties regarding the dispute and the
9 Parties will work in good faith to resolve it. All disputes must be submitted by the Response Deadline,
10 and will be decided within ten (10) business days after the Response Deadline.

11 50. Defective Submissions. If a Class Member's Request for Exclusion is defective as to the
12 requirements listed herein with the exception of timeliness, that Class Member will be given an
13 opportunity to cure the defect(s). The Settlement Administrator will mail the Class Member a cure letter
14 within three (3) business days of receiving the defective submission to advise the Class Member that
15 his/her/their submission is defective and that the defect must be cured to render the Request for
16 Exclusion valid. The Class Member will have until (a) the Response Deadline or (b) fifteen (15) calendar
17 days from the date of the cure letter, whichever date is later, to postmark or fax a revised Request for
18 Exclusion. If the revised Request for Exclusion is not postmarked or received by fax within that period, it
19 will be deemed untimely.

20 51. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
21 Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement
22 Administrator within the Response Deadline. In the case of Requests for Exclusion that are mailed to the
23 Settlement Administrator, the postmark date will be the exclusive means to determine whether a Request
24 for Exclusion has been timely submitted.

25 52. Escalator. If it is determined that the number of Workweeks worked during the Class
26 Period exceeds Four Hundred Fifty-One Thousand (451,000), then Defendant shall have the sole
27 discretion to: (a) end the Class Period and PAGA Period on the date on which the number of the total
28 number of Workweeks was not in excess of Four Hundred Fifty-One Thousand (451,000); or (b)

1 increase the Gross Settlement Amount in proportion to the increased percentage of Workweeks over
2 10%; for example, if such increase in Workweeks is Twelve Percent (12%) over Four Hundred Fifty-
3 One Thousand (451,000) Workweeks, the Gross Settlement Amount will increase by Two Percent (2%).

4 53. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member
5 who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid
6 Request for Exclusion will be bound by all of its terms, including those pertaining to the Released Class
7 Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the
8 Settlement.

9 54. Releases by Participating Class Members. Upon the Funding Date, and except as to such
10 rights or claims as may be created by this Settlement Agreement, each Participating Class Member,
11 together and individually, on their behalf and on behalf of their respective heirs, executors,
12 administrators, agents, and attorneys, shall fully and forever release and discharge all of the Released
13 Parties, or any of them, from each of the Released Class Claims arising during the Class Period.

14 55. Releases by PAGA Members. Upon the Funding Date, and except as to such rights or
15 claims as may be created by this Settlement Agreement, each PAGA Member, together and individually,
16 on their behalf and on behalf of their respective heirs, executors, administrators, agents, and attorneys,
17 shall fully and forever release and discharge all of the Released Parties, or any of them, from each of the
18 Released PAGA Claims during the PAGA Period.

19 56. Defendant's Right to Rescind. Defendant will have, in its sole discretion, the right to
20 void and withdraw from the Settlement if, at any time prior to Final Approval, Five Percent (5%) or
21 more of Class Members opt out of the settlement. Defendant must exercise this right of rescission in
22 writing to Class Counsel within fourteen (14) calendar days after the Response Deadline. If the option to
23 rescind is exercised, then Defendant will be solely responsible for all Settlement Administration Costs
24 incurred to the date of rescission.

25 57. Objection Procedures. To object to the Settlement Agreement, a Class Member may
26 either postmark or fax a valid Notice of Objection to the Settlement Administrator on or before the
27 Response Deadline, or appear in person at the Final Approval Hearing. Class Members who fail to
28 object either by submitting a valid Notice of Objection or appearing in person at the Final Approval

Hearing will be deemed to have waived all objections to the Settlement and will be foreclosed from making any objections, whether by appeal or otherwise, to the Settlement Agreement. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written objections to the Settlement Agreement, or otherwise object to the Settlement Agreement, or appeal from the final approval order and judgment. Class Counsel will not represent any Class Members with respect to any such objections to this Settlement. If a Class Member timely submits both a Notice of Objection and a Request for Exclusion, the Request for Exclusion will be given effect and considered valid, the Notice of Objection shall be rejected, and the Class Member shall not participate in or be bound by the Settlement.

58. Certification Reports Regarding Individual Settlement Payment Calculations. The Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report that certifies the date of the mailing, the number of returned notices, the number of remailings, the number of Class Members who have submitted valid Requests for Exclusion or objections to the Settlement, and whether any Class Member has submitted a challenge to any information contained in their Class Notice, including those received after the Response Deadline. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested.

59. Distribution Timing of Individual Settlement Payments. Within ten (10) calendar days of the Funding Date, the Settlement Administrator will issue payments to: (a) Participating Class Members and PAGA Members; (b) the Labor and Workforce Development Agency; (c) Plaintiffs; (d) Class Counsel; and (e) make all applicable tax payments. The Settlement Administrator will also issue a payment to itself for Court-approved services performed in connection with the Settlement.

60. Un-cashed Settlement Checks. Proceeds represented by Individual Settlement Payment checks returned as undeliverable and Individual Settlement Payment checks remaining un-cashed for more than one hundred and eighty (180) calendar days after issuance will be tendered pursuant to Code of Civil Procedure section 384 to The Justice Gap Fund maintained by The State Bar of California.

61. Certification of Completion. Upon completion of the distribution of settlement pursuant to section 59 herein, the Settlement Administrator will provide a written declaration under oath to certify

1 such completion to the Court and counsel for all Parties. If requested by the Court, following the 180-
2 day period provided for in section 60 herein, the Settlement Administrator will provide a written
3 declaration under oath outlining the number of un-cashed checks and its intention to tender pursuant to
4 Code of Civil Procedure section 384 to The Justice Gap Fund maintained by The State Bar of California
5 as provided for in section 60 herein,

6 62. Treatment of Individual Settlement Payments. All Individual Settlement Payments will
7 be allocated as follows: (a) Twenty Percent (20%) of each Individual Settlement Payment will be
8 allocated as wages for which IRS Forms W-2 will be issued; and (b) Eighty Percent (80%) will be
9 allocated as non-wages for which IRS Forms 1099-MISC will be issued. Payments issued to PAGA
10 Members from the PAGA Fund will be treated as non-wages for which IRS Forms 1099-MISC will be
11 issued.

12 63. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
13 will be responsible for issuing to Plaintiffs, Participating Class Members, PAGA Members, and Class
14 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to
15 this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes
16 and penalties to the appropriate government authorities.

17 64. Tax Liability. The Parties make no representation as to the tax treatment or legal effect
18 of the payments called for hereunder, and Plaintiffs, Participating Class Members, and PAGA Members
19 are not relying on any statement, representation, or calculation by Defendant or by the Settlement
20 Administrator in this regard.

21 65. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES
22 OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS
23 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY")
24 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND
25 NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES
26 OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR
27 WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED
28 OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES

1 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
2 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS
3 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
4 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS
5 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY
6 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY
7 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO
8 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
9 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER
10 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF
11 ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER
12 SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
13 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
14 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
15 AGREEMENT.

16 66. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
17 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
18 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of
19 action or right herein released and discharged.

20 67. Nullification of Settlement Agreement. In the event that: (a) the Court does not finally
21 approve the Settlement as provided herein; or (b) the Settlement does not become final for any other
22 reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null
23 and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will
24 likewise be treated as void from the beginning.

25 68. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the Court to
26 request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval
27 Order for: (a) conditional certification of the Settlement Class for settlement purposes only, (b)
28 preliminary approval of the proposed Settlement Agreement, (c) setting a date for a final fairness

1 hearing. The Preliminary Approval Order will provide for the Class Notice to be sent to all Class
2 Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiffs will
3 submit this Settlement Agreement, which sets forth the terms of this Settlement, and will include the
4 proposed Notice of Class Action Settlement, attached as Exhibit A. Class Counsel will be responsible for
5 drafting all documents necessary to obtain preliminary approval.

6 69. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
7 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the
8 Court's permission, a final fairness hearing will be conducted to determine the Final Approval of the
9 Settlement Agreement along with the amounts properly payable for: (a) Attorneys' Fees and Costs; (b)
10 the Class Representative Enhancement Payments; (c) Individual Settlement Payments; (d) the Labor and
11 Workforce Development Agency Payment; (e) all Settlement Administration Costs. Class Counsel will
12 be responsible for drafting all documents necessary to obtain final approval. Class Counsel will also be
13 responsible for drafting the attorneys' fees and costs application to be heard at the final approval hearing.

14 70. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the
15 Court or after the final fairness hearing, the Parties will present the Judgment to the Court for its
16 approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of
17 addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement
18 administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as
19 set forth in this Settlement Agreement. A copy of the Judgment will be posted to the Settlement
20 Administrator's website.

21 71. Release by Plaintiffs. Upon the Funding Date, in addition to the claims being released by
22 all Participating Class Members, Plaintiffs will release and forever discharge the Released Parties, to the
23 fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and not
24 asserted, which Plaintiffs have or may have against the Released Parties as of the date of execution of
25 this Settlement Agreement. To the extent the foregoing release is a release to which Section 1542 of the
26 California Civil Code or similar provisions of other applicable law may apply, Plaintiffs expressly waive
27 any and all rights and benefits conferred upon them by the provisions of Section 1542 of the California
28 Civil Code or similar provisions of applicable law which are as follows:

1 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
2 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
3 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE
4 AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY
5 AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED
6 PARTY.

7 72. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the
8 terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
9 herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

10 73. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the
11 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements
12 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section
13 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is
14 to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and
15 the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or
16 contradict the terms of this Settlement Agreement.

17 74. Amendment or Modification. No amendment, change, or modification to this Settlement
18 Agreement will be valid unless in writing and signed, either by the Parties or their counsel, and approved
19 by the Court.

20 75. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
21 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
22 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
23 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
24 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each
25 other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to
26 reach agreement on the form or content of any document needed to implement the Settlement, or on any
27 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
28 may seek the assistance of the Court to resolve such disagreement.

1 76. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
2 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

3 77. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto
4 will be governed by and interpreted according to the laws of the State of California.

5 78. Execution and Counterparts. This Settlement Agreement is subject only to the execution
6 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
7 executed counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and scanned
8 copies of the signature page, will be deemed to be one and the same instrument.

9 79. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
10 Settlement Agreement is a fair, adequate and reasonable settlement of the Actions and have arrived at
11 this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into
12 account all relevant factors, present and potential. The Parties further acknowledge that they are each
13 represented by competent counsel and that they have had an opportunity to consult with their counsel
14 regarding the fairness and reasonableness of this Settlement.

15 80. Invalidity of Any Provision. Before declaring any provision of this Settlement
16 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
17 possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement
18 valid and enforceable.

19 81. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
20 certification for purposes of this Settlement only; except, however, that Plaintiffs or Class Counsel may
21 appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court,
22 and either party may appeal any court order that materially alters the Settlement Agreement's terms.

23 82. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to
24 class action certification for purposes of the Settlement only. If, for any reason, the Settlement is not
25 approved, the stipulation to certification will be void. The Parties further agree that certification for
26 purposes of the Settlement is not an admission that class action certification is proper under the standards
27 applied to contested certification motions and that this Settlement Agreement will not be admissible in
28 this or any other proceeding as evidence that either (a) a class action should be certified or (b) Defendant

is liable to Plaintiffs or any Class Member, other than according to the Settlement's terms.

83. Non-waiver of Agreement to Arbitrate. The Parties agree that agreeing to this settlement, entering into this settlement, and effectuating the terms of the settlement, in no constitutes a waiver of Defendant's right to compel arbitration or otherwise enforce arbitration agreements.

84. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering into this Settlement, Defendant does not admit, and specifically denies, that it violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, will be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement, this Settlement Agreement and its terms and provisions will not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

85. No Public Comment: Prior to Preliminary Approval, the Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about the fact, amount or terms of the Settlement. Plaintiffs and Class Counsel agree that the terms of this Settlement (including, but not limited to, the Gross Settlement Amount), the negotiations leading to the execution of this Settlement, and the Term Sheet, shall not be discussed with or publicized or promoted to the media (including, without limitation, legal periodicals and publications such as "Jury Verdicts," or disclosure of the Term Sheet on any web site of Class Counsel), or the public at large, without Defendant's advance written consent. Nothing in this provision is intended to prohibit: (a) Plaintiffs from discussing this Settlement with their spouses, attorneys, or tax advisors; (b) Class Counsel from citing the Settlement as evidence supporting their competence as counsel in wage/hour and/or class action matters, or seeking approval of comparable

settlements, in public court filings; or (c) Class Counsel from communicating with Plaintiffs, with Class Members about the settlement, with the LWDA, or with the Court.

86. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

87. Enforcement Actions. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

88. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms'-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

89. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel. Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

90. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

91. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

92. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that

otherwise might apply under federal or state law.

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READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 8/12/2024

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Daniela Garibay
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Daniela Garibay

PLAINTIFF

Dated:

Darren Morris

PLAINTIFF

Dated:

Brandon Gay

PLAINTIFF

Dated:

Israel Berber

DEFENDANT

Dated: 10/11/2024

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David Perkins
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Pacific Steel Group
David Perkins

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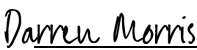
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Daniela Garibay

PLAINTIFF

Dated: 8/10/2024 _____

Signed by:


Darren Morris

PLAINTIFF

Dated: _____

Brandon Gay

PLAINTIFF

Dated: _____

Israel Berber

DEFENDANT

Dated: _____

Please Print Name of Authorized Signatory
Pacific Steel Group

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PLAINTIFF

Dated: _____

Daniela Garibay

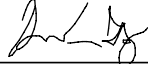
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Dated: _____

Darren Morris

PLAINTIFF

Dated: 08/12/2024

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Brandon Gay

PLAINTIFF

Dated: _____

Israel Berber

DEFENDANT

Dated: _____

Please Print Name of Authorized Signatory
Pacific Steel Group

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Dated: _____

Daniela Garibay

PLAINTIFF

Dated: _____

Darren Morris

PLAINTIFF

Dated: _____

Brandon Gay

PLAINTIFF

Dated: 08/27/2024 _____

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Israel Berber

DEFENDANT

Dated: _____

Please Print Name of Authorized Signatory
Pacific Steel Group