

STIPULATION OF SETTLEMENT

This Stipulation of Settlement ("Settlement Agreement") is reached by and between Plaintiffs Tien Pham and Chasity Bennett (collectively hereinafter "Plaintiffs"), individually and on behalf of all members of the Settlement Class (defined below), on one hand, and Walnut LLC (hereinafter "Defendant"), on the other hand. Plaintiffs and Defendant are referred to herein collectively as the "Parties." Plaintiff and the Settlement Class are represented by Adam N. Bouayad and Gregory D. Wolflick of Workplace Rights Law Group, LLP ("Class Counsel"). Defendant is represented by Brian M. Noh and Damien P. DeLaney of Akerman, LLP ("Defendant's Counsel").

On August 19, 2020, Plaintiff Tien Pham filed a Private Attorneys General Act lawsuit against Defendant in Los Angeles County Superior Court, in the matter entitled *Tien Pham v. Seven Points Management, et al.*, Case No. 20STCV31808 (hereinafter "Lawsuit").

On April 26, 2022, the Parties attended mediation with the Honorable Carl J. West, a respected jurist and mediator of wage and hour class actions. During the mediation, each side, represented by its respective counsel, was able to agree to settle the Lawsuit which was memorialized in the form of a Memorandum of Understanding. This Agreement replaces and supersedes the Memorandum of Understanding and any other agreements, understandings, or representations between the parties.

This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that the claims in the Lawsuit of Plaintiffs or the Settlement Class have merit or that Defendant bears any liability to Plaintiffs or the Settlement Class on those claims or any other claims, or as an admission by Plaintiffs that Defendant's defenses in the Actions have merit. The Parties agree to certification of the Class for purposes of this Settlement only. If for any reason the settlement does not become effective, Defendant reserves the right to contest certification of any class for any reason and reserves all available defenses to the claims in the Actions.

An Amended Complaint to include class claims and a new Plaintiff/Class Representative, Chasity Bennett, was filed on May 26, 2022. (initial Complaint and Amended Class Complaint shall collectively hereinafter be referred to as the "Complaint"). Plaintiffs' Complaint alleges class claims for: (i) failure to pay straight time; (ii) failure to pay overtime; (iii) failure to provide compliant meal periods; (iv) failure to provide compliant rest breaks; (v) failure to provide sick pay/leave; (vi) failure to provide itemized employee wage statements and keep records; (vii) failure to reimburse/illegal deductions; (viii) failure to pay all wages owed upon separation of employment. As a result of the foregoing alleged violations, Plaintiffs contend that Defendant is further liable to Plaintiffs and the Settlement Class (defined below) because it engaged in unlawful business practices. Plaintiffs Complaint further alleges that Defendant is liable for civil penalties pursuant to the Labor Code Private Attorneys General Act, Cal. Labor Code § 2698 *et seq.* ("PAGA") as a result of the aforementioned alleged violations of the California Labor Code and for willful misclassification.

Given the uncertainty of litigation, Plaintiffs and Defendant wish to settle both individually and on behalf of the Settlement Class. Accordingly, Plaintiffs and Defendant agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiffs and Defendant stipulate to the certification of the following Settlement Class:

All non-exempt hourly employees employed in California by Defendants from August 19, 2017, through the date of preliminary approval of this Settlement, who allegedly suffered one or more of the following violations:

- a. Failure to receive earned straight time, or minimum wages;
- b. Failure to receive earned wages at the overtime rate of pay;
- c. Failure to receive compliant meal periods and failure to receive one (1) hours of pay at the employee's regular rate of compensation for each work day in which a compliant meal period was not authorized, permitted or provided;
- d. Failure to receive compliant rest breaks and failure to receive one (1) hours of pay at the employees regular rate of compensation for each work day in which a compliant rest break was not authorized, permitted or provided;
- e. Failure to receive legally accrued sick leave, notice of accrued sick leave or protection from discipline, discharge, demotion or termination for taking sick leave that otherwise should have been protected/paid;
- f. Failure to receive the timely payment of all earned wages at the time of termination or resignation from Defendants;
- g. Failure to receive accurate itemized wage statements pursuant to Labor Code §226 and/or maintain accurate records as required by Labor Code §1174;
- h. Failure to receive reimbursement for expenses necessarily incurred as a direct consequence of the discharge of their duties as employees;
- i. Being subject to the illegal deduction of wages, earned bonuses and/or incentive pay by Defendants.
- j. Unlawful misclassification of employees as an independent contractors.

2. For purposes of this Settlement Agreement only, Plaintiffs and Defendant stipulate to the certification of the following Settlement Subclasses:

- a. Employees treated as non-exempt hourly W-2 employees ("W-2 Worker Sub-Class") who were subject to one or more of the alleged violations identified in Paragraph 1 above, from August 19, 2017, through the date of preliminary approval of this Settlement; and
- b. Employees who were classified as independent contractors ("Independent Contractor Sub-Class") and who were subject to one or more of the alleged violations identified in Paragraph 1 above, from August 19, 2017, through the date of preliminary approval of this Settlement.

Collectively, the "W-2 Worker Sub-Class" and "Independent Contractor Sub-Class" are referred to as the "Settlement Class members" or "Class members."

The time period of August 19, 2017 through preliminary approval of this Settlement shall be referred to herein as the "Class Period."

The time period of June 12, 2019 through preliminary approval of this Settlement shall be referred to herein as the "PAGA Period."

The Parties agree that certification for purposes of this Settlement Agreement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

2. **Release by Settlement Class Members and Plaintiff.** Plaintiffs and every member of the Settlement Class (except those who opt out) will fully release and discharge Defendant, and all of its past and present officers, directors, shareholders, employees, agents, principals, heirs, representatives, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys, including but not limited to named Defendants Seven Points Management, LLC, and Cameron Damwijk (collectively the "Released Parties"), as follows:

- A. Settlement Class members will release all claims, demands, rights, liabilities and causes of action that were pled in the Complaint (or will be pled in any future amended complaint as set forth herein), or which could have been pled in any of the Complaints filed or to be filed based on the factual allegations therein, that arose during the Class Period ("Released Claims") with respect to the following claims: (a) failure to pay straight time; (b) failure to pay overtime; (c) failure to provide compliant meal periods; (d) failure to provide compliant rest breaks; (e) failure to provide sick pay/leave; (f) failure to provide itemized employee wage statements and keep records; (g) failure to reimburse/illegal deductions; (h) failure to pay all wages owed upon separation of employment; (i) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above; (j) willful misclassification; and (h) all claims alleged under the California Labor Code Private Attorneys General Act of 2004, or that could have been premised on the facts, claims, causes of action or legal theories described above.
- B. In light of their Class Representative Service Award and other consideration given, Plaintiffs Tien Pham and Chasity Bennett agree to release, in addition to the Released Claims described above, all claims, whether known or unknown, under federal, state or local law against the Released Parties. The Parties understand and agree that Plaintiffs are not, by way of this release, releasing any workers' compensation claims nor any other claims which cannot be released as a matter of law. Notwithstanding the foregoing, Plaintiffs Tien Pham and Chasity Bennett understand that this release includes unknown claims and that they, as a result, waive all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by

him or her, would have materially affected his or her settlement with the debtor or released party.

3. **Gross Settlement Amount.** As consideration, Defendant agrees to pay the “Gross Settlement Amount” of Three Hundred Ninety-Six Thousand Dollars and Zero Cents (\$396,000.00) in full and complete settlement of the Lawsuit, as follows:
- A. The Parties have agreed to engage CPT Group, Inc. as the “Claims Administrator” or “Settlement Administrator” to administer this Settlement.
 - B. With the exception of the Claims Administrator’s fees, if otherwise required by the Claims Administrator, the Gross Settlement Amount shall be deposited with the Claims Administrator on the later of April 30, 2023 or thirty (30) calendar days of **the Effective Date** (which, for this purpose, shall be defined as the date on which the Court enters an Order granting Final Approval of the Settlement Agreement or, solely in the event that there are any objections to the Settlement Agreement (the filing of an objection being a prerequisite to the filing of an appeal), the later of: (i) the last date on which any appeal might be filed or (ii) the successful resolution of any appeal(s) – including expiration of any time to seek reconsideration or further review.
 - C. This is a non-reversionary settlement that includes all payments contemplated in this resolution, which consist of the following:
 - (1) All payments (including interest) to the Settlement Class;
 - (2) All costs of the Claims Administrator and settlement administration, which are anticipated to be no greater than Eleven Thousand Seven Hundred and Fifty Dollars (\$11,750.00) (“Settlement Administration Expenses”). To the extent the Settlement Administration Expenses that are documented and approved by the Court are less than \$11,750.00, the remainder will be retained in the Net Settlement Amount for distribution to Participating Settlement Class members;
 - (3) Up to Ten Thousand Dollars and Zero Cents (\$10,000.00) for Plaintiff Tien Pham’s Class Representative/PAGA Representative Service Award; and up to Six Thousand Dollars and Zero Cents (\$6,000.00) for Plaintiff Chasity Bennett’s Class Representative Service Award, in recognition of their contributions to the Lawsuit and their service to the Settlement Class (the “Class Representative Service Awards”). Even in the event that the Court reduces or does not approve the requested Class Representative Service Awards, Plaintiffs shall not have the right to revoke this Settlement Agreement, and it will remain binding. If the Court approves Class

Representative Service Awards of less than that requested for each of the Plaintiffs, the remainder will be retained in the Net Settlement Amount for distribution to Participating Settlement Class members. Plaintiffs acknowledge that they are fully and solely responsible for the taxes due on their Class Representative Service Payments;

- (4) Up to one-third of the Gross Settlement Amount in Class Counsel's attorneys' fees, which are currently estimated to be no greater than One Hundred Thirty-One Thousand Eight Hundred and Sixty-Eight Dollars (\$131,868.00) ("Class Counsel Fees Payment"), and all expenses incurred as documented in Class Counsel's billing records and supporting declaration, which are currently estimated to be no greater than Fifteen Thousand Dollars (\$15,000.00) ("Class Counsel Litigation Expenses Payment"). In the event that the Court reduces or does not approve the requested Class Counsel Fees Payment or the Class Counsel Litigation Expenses Payment, Class Counsel shall not have the right to revoke this Settlement Agreement, and it will remain binding. If the Court approves a Class Counsel Fees Payment or Class Counsel Litigation Expenses Payment less than the above amount, the remainder will be retained in the Net Settlement Amount for distribution to Participating Settlement Class members,; and
- (5) Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties (the "PAGA Payment"). Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Eighteen Thousand Seven Hundred and Fifty Dollars and Zero Cents (\$18,750.00) will be payable to the Labor & Workforce Development Agency ("LWDA"), and the remaining twenty-five percent (25%), or Six Thousand Two Hundred and Fifty Dollars and Zero Cents (\$6,250.00), will be payable to certain Settlement Class members as the "PAGA Amount" and will be distributed as described below.

D. Defendant's share of payroll taxes shall be paid by Defendant separately from, and in addition to, the Gross Settlement Amount.

E. **Escalator Clause.** Defendant represents that during the Class Period the Settlement Class members worked an estimated total of 19,831 workweeks during the Class Period. If, as of the end of the Class Period, the number of Settlement Class members has increased such that the total aggregate workweeks in the Class Period exceeds 19,831 by 10% or more (*i.e.*, if there are more than 21,814 workweeks in the Class Period), then Defendant agrees that it shall increase the Gross Settlement Amount on a proportional basis equal to the increase in workweeks greater than 10% (*i.e.*, if the class workweeks were 11% greater than 19,831, Defendant will

increase the Gross Settlement Amount by one percent). However, Defendant retains the option to instead of increasing the Gross Settlement Amount if this escalator clause is triggered, it can instead elect to cut-off the Class Period and release period as of the date that the increase workweeks reaches 21,814.

4. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment ("Individual Settlement Award") from the Settlement. Individual Settlement Awards will be determined and paid as follows:

- A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, Class Representative Service Awards, the Settlement Administration Expenses, and the amount designated as PAGA civil penalties payable to the LWDA. The remaining amount shall be known as the "Net Settlement Amount."
- B. From the Net Settlement Amount, the Claims Administrator will calculate each Settlement Class member's Individual Settlement Award based on the following formula:
 - a. Twenty Five Percent (25%) of the Net Settlement Amount shall be allocated to Independent Contractor Sub-Class Settlement Class members who worked during the Class Period, as follows: each Independent Contractor Sub-Class Settlement Class member shall receive a proportionate settlement share that will be calculated by (1) dividing Twenty Five Percent (25%) of the Net Settlement Amount by the total number of workweeks worked by all members of the Independent Contractor Sub-Class, and (2) multiplying the result by the number of workweeks worked by each individual member of the Independent Contractor Sub-Class during the Class Period.
 - b. Seventy Five Percent (75%) of the Net Settlement Amount shall be allocated to the W-2 Worker Sub-Class Settlement Class members who worked during the Class Period, as follows: each W-2 Worker Sub-Class Settlement Class member shall receive a proportionate settlement share that will be calculated by (1) dividing Seventy Five Percent (75%) of the Net Settlement Amount by the total number of workweeks worked by all members of the W-2 Worker Sub-Class, and (2) multiplying the result by the number of workweeks worked by each individual member of the W-2 Worker Sub-Class during the Class Period.
 - c. In addition, the PAGA Amount will be allocated as follows: each Class Member who worked for Defendant during the PAGA Period shall receive a portion of the PAGA Amount proportionate to the number of workweeks worked, calculated by (1) dividing the PAGA Amount by the total number of workweeks worked by all Class Members during the PAGA Period, and (2) multiplying the result by the number of workweeks worked by each Class Member during the PAGA Period.

- C. Within ten (10) calendar days following Defendant's deposit of the Gross Settlement Amount with the Claims Administrator, the Claims Administrator will calculate Individual Settlement Award amounts and provide the same to the Parties' counsel for review and approval. Within seven (7) calendar days of approval by the Parties' counsel, the Claims Administrator will prepare and mail Individual Settlement Awards, less applicable taxes and withholdings, to participating Settlement Class members, as well as payment of the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, the Class Representative Service Awards, and the PAGA Payment in accordance with this Agreement. The Claims Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Defendant's counsel.
- D. For purposes of calculating applicable taxes and withholdings, each Settlement Award shall be allocated as follows: Eighty Percent (80%) as penalties and interest; and Twenty Percent (20%) as wages. The Claims Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.
- E. Defendant shall fully discharge its obligations to those Settlement Class members to whom it will pay, through the Settlement Administrator, an Individual Settlement Award through the mailing of a Settlement check, regardless of whether such checks are actually received and/or negotiated by Settlement Class members.
- F. Each member of the Settlement Class who receives an Individual Settlement Award must cash the check(s) within 180 days from the date the Settlement Administrator mails it/them. Any funds payable to Settlement Class members whose checks were not cashed or otherwise negotiated within 180 days after mailing will escheat to the California State Controller's Office to be held as "Unclaimed Property" under the unclaimed property laws in the name of the Settlement Class members.
- G. Neither Plaintiffs nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Claims Administrator.
- H. Non-Participating Settlement Class members will receive no settlement share, and their request to be excluded in the settlement will reduce neither the Gross Settlement Amount nor the Net Settlement Amount. Their respective Settlement Shares will remain a part of the Net Settlement Amount for distribution to Participating Settlement Class members.

5. **Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment.** Defendant will not object to Class Counsel's request for a total award of attorneys' fees of one-third of the Gross Settlement Amount, which is currently estimated to be One Hundred Thirty-One Thousand Eight Hundred and Sixty-Eight Dollars (\$131,868.00). Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Fifteen Thousand Dollars and Zero Cents (\$15,000.00) from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the award allowed by the Court for the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment .

6. **Class Representative Service Awards.** Defendant will not object to a request for a Class Representative Service Awards of up to Ten Thousand Dollars and Zero Cents (\$10,000.00) for Class/PAGA Representative Tien Pham; and Six Thousand Dollars and Zero Cents (\$6,000.00) for Class Representative Chasity Bennett, for their time and risk in prosecuting this Lawsuit, and their service to the Settlement Class. These awards will be in addition to Plaintiffs' Settlement Award as a Settlement Class member and shall be reported on an IRS Form 1099 issued by the Settlement Administrator. Even in the event that the Court reduces or does not approve the requested Service Award, Plaintiffs shall not have the right to revoke this Settlement, and it will remain binding.

7. **Claims Administrator.** The Parties agree to the appointment of CPT Group, Inc. as Claims Administrator. Defendant will not object to Plaintiffs' seeking permission to pay up to \$11,750.00 for the Settlement Administration Expenses. The Settlement Administrator's duties will include preparing, printing, translating, and mailing the Notice Packet to all Class Members; conducting a National Change of Address search to update Class Member addresses before mailing the Notice Packets; re-mailing Notice Packets that are returned to the Class Member's new address; setting up a toll-free telephone number to receive calls from Class Members; receiving and reviewing for validity completed Request for Exclusion; providing the Parties with weekly status reports about the delivery of Notice Packets and receipt of completed Request for Exclusion; calculating Settlement Shares; issuing the checks to effectuate the payments due under the Settlement; issuing the tax reports required under this Settlement; and otherwise administering the Settlement pursuant to this Agreement. The Settlement Administrator will have the authority to resolve all disputes concerning the calculation of a Participating Settlement Class Member's settlement share, subject to the dollar limitations and calculations set forth in this Agreement. The Settlement Administration Expenses, including the cost of printing and mailing the Notice Packet, will be paid out of the Gross Settlement Amount. The Settlement Administrator shall have its own Employer Identification Number under Internal Revenue Service Form W-9 and shall use its own Employer Identification Number in calculating payroll withholdings for taxes and shall transmit the required employers' and employees' share of the withholdings to the appropriate state and federal tax authorities. The Settlement Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund

(“QSF”) under US Treasury Regulation section 468B-1. The Claims Administrator shall be authorized to pay itself from the Gross Settlement Amount by Class Counsel only after Individual Settlement Awards have been mailed to all participating Settlement Class members.

8. Preliminary Approval.

- A. Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiffs shall apply to the Court for the entry of an Order:
- (1) Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
 - (2) Appointing Adam N. Bouayad and Gregory D. Wolflick of Workplace Rights Law Group, APC as Class Counsel;
 - (3) Appointing Tien Pham and Chasity Bennett as Class Representatives for the Settlement Class;
 - (4) Approving CPT Group, Inc., as Settlement Administrator;
 - (5) Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
 - (6) Approving the form and content of the Notice Packet (which is comprised of the Class Notice and Notice of Settlement Award, drafts of which are attached hereto as Exhibits A and B, respectively), and directing the mailing of same;
 - (7) Approving all uncashed checks being sent to the California State Controller’s Office to be held as “Unclaimed Property” under the unclaimed property laws in the name of the Settlement Class members; and
 - (8) Scheduling a Final Approval hearing.
- B. Any disagreement among the parties concerning the Class Notice, the proposed orders, or other documents necessary to implement the Settlement will be referred to the mediator, Honorable Carl J. West, for resolution.
- C. At the hearing on the Motion for Preliminary Approval, the Parties will jointly appear, support the granting of the motion, and submit an Order Granting Preliminary Approval of the Settlement.
- D. Should the Court decline to preliminarily approve material aspects of the Settlement (including but not limited to the scope of release to be granted by Participating Settlement Class members or the binding effect of the Settlement on

Participating Settlement Class members), the Parties shall work together in good faith to address any concerns raised by the Court and propose a revised Settlement for the Court's approval.

E. **Waiver of Right to Appeal.** Provided that the Court's Judgment is consistent with the terms and conditions of this Agreement, Plaintiffs, Defendant, and their respective counsel hereby waive any and all rights to appeal from the Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as, but not limited to, a motion to vacate judgment, a motion for new trial, and any extraordinary writ. The Judgment therefore 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 proceedings, or post-judgment proceedings. If an appeal is taken from the Judgment, the time for consummation of the Settlement (including making payments under the Settlement) will be suspended until such time as the appeal is finally resolved and the Judgment becomes Final.

F. **Vacating, Reversal, or Material Modification of Judgment on Appeal or Review.** If, after a notice of appeal, a petition for review, or a petition for *certiorari*, or any other motion, petition, or application, the reviewing Court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement (including, but not limited to, the scope of release to be granted by Participating Settlement Class members), and that Court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher Court, then the Parties shall work together in good faith to address any concerns raised by the reviewing Court and propose a revised Settlement for the approval of the Court not later than fourteen (14) days after the reviewing Court's decision vacating, reversing, or materially modifying the Judgment becomes Final. A vacation, reversal, or modification of the Court's award of the Class Representative Service Awards, the Class Counsel Fees Payment, or the Class Counsel Litigation Expenses Payment will not constitute a vacation, reversal, or material modification of the Judgment within the meaning of this paragraph, provided that Defendant's obligation to make payments under this Settlement will remain limited by the Gross Settlement Amount.

9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

A. Within thirty (30) calendar days after entry of an order preliminarily approving this Settlement, Defendant will provide the Claims Administrator with the names, last known addresses, phone numbers, social security numbers (to the extent available), the dates of employment, whether the employee is/was a Misclassified Worker or W-2 Worker, and the number of Workweeks worked by each Settlement Class member while employed during the Class Period (the "Class Data"). The Class Data shall be provided to the Claims Administrator in an electronic format satisfactory to the Claims Administrator. If any of the Class Data is unavailable to Defendant, Defendant will so inform Class Counsel and Defendant will make reasonable efforts to reconstruct the Class Data prior to when it must be submitted

to the Settlement Administrator. This information will otherwise remain confidential and will not be disclosed to anyone, except as required to applicable taxing authorities, in order to carry out the reasonable efforts described in this Agreement, or pursuant to Defendant's express written authorization or by order of the Court. All Class Data will be used for settlement notification and settlement administration and shall not be used for any other purpose by Class Counsel.

- B. Within ten (10) business days from receipt of this information, the Claims Administrator shall (i) run the names of all Settlement Class members through the National Change of Address ("NCOA") database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Individual Settlement Award for each Settlement Class member; and (iv) mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. If a Notice Packet is returned because of an incorrect address, the Settlement Administrator will promptly, and not longer than fourteen (14) days from receipt of the returned packet, search for a more current address for the Class Member and re-mail the Class Notice Packet to the Class Member. The Settlement Administrator will use the Class Data and otherwise work with Defendant to find a more current address. The Settlement Administrator will be responsible for taking reasonable steps, consistent with its agreed-upon job parameters, Court orders, and fee, as agreed to with Class Counsel and according to the following deadlines, to trace the mailing address of any Class Member for whom a Class Notice Packet is returned by the 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 using available email addresses, phone numbers, social security numbers, credit reports, LinkedIn, and Facebook; and promptly re-mailing to Class Members for whom new addresses are found. If the Class Notice Packet is re-mailed, the Settlement Administrator will note for its own records and notify Class Counsel and Defendant's Counsel of the date and address of each such re-mailing as part of a weekly status report provided to the Parties.
- D. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendant's Counsel of the number of Requests for Exclusion it receives (including the numbers of valid and deficient), and number of objections received.
- E. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within forty-five (45) calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline").

- i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not meet all the requirements of (1)-(4), it will not be deemed valid for exclusion from the Settlement, except a Request for Exclusion not containing a Class Member's telephone number and/or last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon. A Settlement Class Member who does not complete and mail a timely Request for Exclusion in the manner and by the deadline specified above and in the Class Notice will automatically become a Participating Settlement Class Member and will be bound by all terms and conditions of the Settlement, including the Released Class Claims by the Class, if the Settlement is approved by the Court, and by the Judgment, regardless of whether he or she has objected to the Settlement. Persons who submit a Request for Exclusion shall not be permitted to file objections to the Settlement or appear at the Final Approval Hearing to voice any objections to the Settlement.
- F. Objections. Members of the Settlement Class who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendant's counsel, as well as file all such objections with the Court). Defendant's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval. To be valid, any written objection must: (1) contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than the Response Deadline. Notwithstanding the foregoing, any Participating Settlement Class Member may appear at the Final Approval Hearing to be heard on any objections to the Settlement even if they have not submitted a written objection as set forth in this paragraph.
- G. Notice of Settlement Award / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the estimated amount of the Settlement Class

member's Individual Settlement Award as well as all of the information that was used from Defendant's records in order to calculate the Individual Settlement Award, including the Settlement Class member's number of Workweeks worked during the Class Period. Settlement Class members will have the opportunity, should they disagree with Defendant's records regarding the information stated in the Notice of Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Claims Administrator and postmarked by the Response Deadline. If there is a dispute, the Claims Administrator will consult with the Parties to determine whether an adjustment is warranted. The Claims Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Awards under the terms of this Settlement Agreement. The Claims Administrator's determination of the eligibility for and amount of any Individual Settlement Award shall be binding upon the Settlement Class member and the Parties.

- H. Any Notice Packets returned to the Claims Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Claims Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Claims Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within three (3) business days of obtaining the updated address. The address identified by the Claims Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. It will be conclusively presumed that, if an envelope so mailed has not been returned within thirty (30) days of the mailing, the Settlement Class member received the Notice Packet. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Claims Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to submit a Request for Exclusion, Objection, or dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. If a Settlement Class member's Notice Packet is returned to the Claims Administrator more than once as non-deliverable, then an additional Notice Packet shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendant's Counsel to provide notice of the proposed settlement.
- I. Not later than ten (10) calendar days after the deadline for submission of Requests for Exclusion, the Settlement Administration will provide Class Counsel and Defendant's Counsel with a complete and accurate list of all Participating Settlement Class members and all Non-Participating Settlement Class members.
- J. Not later than ten (10) calendar days before the date by which the Plaintiffs file the motion for final approval of the Settlement, the Settlement Administrator will provide the Parties for filing with the Court a declaration of due diligence setting forth its compliance with its obligations under this Agreement and detailing the

Requests for Exclusion it received (including the numbers of valid and deficient Requests) and objections received. Prior to 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.

10. Final Approval.

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- A. Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiffs shall apply to the Court for entry of an Order:
 - a. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
 - b. Approving Plaintiffs' and Class Counsel's application for attorneys' fees and costs, Class Representative Service Award, and settlement administration costs; and
 - c. Entering judgment pursuant to California Rule of Court 3.769.
- B. Unless otherwise ordered by the Court, Class Counsel will file with the Court their motion for the Class Counsel Fees Payment, Class Counsel Expenses Payment, and the Class Representative Service Awards no later than the date Plaintiffs file the Motion for Final Approval, and the application will be scheduled to be heard by the Court at the Final Approval Hearing.
- C. Not later than sixteen (16) court days before the Final Approval Hearing, the Plaintiffs will file with the Court a motion for final approval of the Settlement, the PAGA Payment, and payment of the Settlement Administration Expenses.
- D. If any opposition is filed to the motion for final approval, the motion for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Awards, and the PAGA Payment, then not later than five (5) court days before the Final Approval Hearing, both parties may file a reply in support of the motion for final approval, and Plaintiffs and Class Counsel may also file a reply in support of their motion for the Class Representative Service Awards, the Class Counsel Fees Payment, and Class Counsel Litigation Expenses Payment.
- E. If the Court does not grant final approval of the Settlement or grants final approval conditioned on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Participating Settlement Class members), then the Parties shall work together in good faith to address any concerns raised by the Court and propose a revised Settlement for the Court's approval. However, an award by the Court of a lesser amount than that sought by Plaintiffs and Class Counsel for the PAGA Payment, Class Representative Service Awards, the Class Counsel Fees Payments, or Class Counsel

Litigation Expenses Payment will not constitute a material modification to the Settlement within the meaning of this paragraph.

11. **Defendant's Option To Void Settlement.** Notwithstanding any other provision of this Settlement Agreement, Defendant shall retain the right, in the exercise of its sole discretion, to nullify this settlement if the number of class members requesting exclusion exceeds Ten Percent (10%) of the Settlement class or Ten Percent 10% of the relevant workweeks. Defendant must exercise its right of rescission, in writing, to the Court and Class Counsel, within ten (10) business days after the Claims Administrator notifies the Parties of the total number of Requests for Exclusion received by the Response Deadline. If Defendant exercises its option to rescind, Defendant shall be solely responsible for the initial payment to the Claims Administrator of all costs of the Claims Administration, including any re-notice to the Class as ordered by the Court, but such initial payment shall be treated as a taxable cost in the event that this case is ultimately litigated and Defendant prevails in a manner permitting an award of costs per applicable statute(s) and/or procedural rule(s). If Defendant exercises its option to rescind the Settlement under this paragraph all Lawsuits taken in furtherance of the Settlement will be null and void. Neither side shall encourage any Class Member to opt out.

12. **Circular 230 Disclaimer.** EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT

13. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve,

interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

14. **Non-disclosure and Non-publication.** Plaintiff and Class Counsel agree not to disclose or publicize the Settlement Agreement contemplated herein, the fact of the Settlement Agreement, its terms or contents, or the negotiations underlying the Settlement Agreement, in any manner or form, directly or indirectly, to any person or entity, except to Settlement Class members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other Lawsuits, Class Counsel may disclose the names of the Parties in this Lawsuit, the venue/case number of this Lawsuit, and a general description of the Lawsuit, to a court in a declaration by Class Counsel. Class Counsel may also include a general description of the Settlement on their respective websites, but may not include the name(s) of any of the Parties, or the case name or case number of the Lawsuit.

15. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

16. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Plaintiffs: Gregory D. Wolflick and Adam N. Bouayad of Workplace Rights Law Group, LLP, 130 N. Brand Blvd., Ste 420, Glendale, California 91203; greg@workplacelaw.com and adam@workplacelaw.com.

if to Defendant: Damien P. DeLaney and Brian M. Noh of Akerman LLP; 601 West Fifth Street, Suite 300, Los Angeles, California 90071; damien.delaney@akerman.com and brian.noh@akerman.com.

17. **Cooperation.** The Parties agree to work cooperatively, diligently and in good faith to ensure that all documents necessary to effectuate this Settlement are properly and timely filed.

18. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the Lawsuit contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof. Further, all terms of this Agreement and the exhibits hereto shall be governed by and interpreted according to the laws of the State of California.

19. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

20. **Continuing Jurisdiction.** The Parties agree that the Court shall retain continuing jurisdiction over this case under CCP Section 664.6 to ensure the continuing implementation of the provisions of this settlement and that the time within which to bring this action to trial under CCP Section 583.310 shall be extended from the date of the signing of this agreement by all parties until the entry of the final approval order and judgment or if not entered the date this agreement shall no longer be of any force or effect.

21. **Public Comment.** Plaintiff and Class Counsel agree not to disclose or publicize this settlement, including the fact of the settlement, its terms or contents, and the negotiations underlying the settlement, in any manner or form, directly or indirectly, to any person or entity, except potential class members and as shall be contractually required to effectuate the terms of the settlement. For the avoidance of doubt, this section means Plaintiff and Class Counsel agree not to issue press releases, communicate with, or respond to any media or publication entities, publish information in manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by print, video, recording or any other medium, with any person or entity concerning the settlement, including the fact of the settlement, its terms or contents and the negotiations underlying the settlement, except as shall be contractually required to effectuate the terms of the settlement. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the name of the Parties in this action and the venue/case number of this action (but not any other settlement details) for such purposes.

Text

DATED:

WALNUT LLC

By: _____

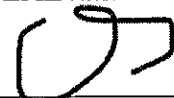
DATED: 10/6/2022

PLAINTIFF TIEN PHAM

By:  _____
Plaintiff and Settlement/PAGA Class
Representative

DATED: 09/28/22

PLAINTIFF CHASITY BENNETT

By:  _____
Plaintiff and Settlement Class Representative

20. **Continuing Jurisdiction.** The Parties agree that the Court shall retain continuing jurisdiction over this case under CCP Section 664.6 to ensure the continuing implementation of the provisions of this settlement and that the time within which to bring this action to trial under CCP Section 583.310 shall be extended from the date of the signing of this agreement by all parties until the entry of the final approval order and judgment or if not entered the date this agreement shall no longer be of any force or effect.

21. **Public Comment.** Plaintiff and Class Counsel agree not to disclose or publicize this settlement, including the fact of the settlement, its terms or contents, and the negotiations underlying the settlement, in any manner or form, directly or indirectly, to any person or entity, except potential class members and as shall be contractually required to effectuate the terms of the settlement. For the avoidance of doubt, this section means Plaintiff and Class Counsel agree not to issue press releases, communicate with, or respond to any media or publication entities, publish information in manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by print, video, recording or any other medium, with any person or entity concerning the settlement, including the fact of the settlement, its terms or contents and the negotiations underlying the settlement, except as shall be contractually required to effectuate the terms of the settlement. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the name of the Parties in this action and the venue/case number of this action (but not any other settlement details) for such purposes.

DATED: 10/5/2022

WALNUT LLC

By:  DocuSigned by:
61AD68F7C58D49D...
David Judaken

DATED:

PLAINTIFF TIEN PHAM

By: _____
Plaintiff and Settlement/PAGA Class
Representative

DATED:

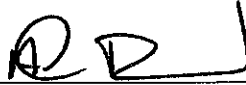
PLAINTIFF CHASITY BENNETT

By: _____
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED: 10/6/22

WORKPLACE RIGHTS LAW GROUP, LLP

By: 
Gregory D. Wolflick
Adam N. Bouayad
Attorneys for Plaintiffs TIEN PHAM and
CHASITY BENNETT

DATED:

AKERMAN, LLP

By: _____
Damien P. DeLaney
Brian M. Noh
Attorneys for Defendant WALNUT LLC

APPROVED AS TO FORM:

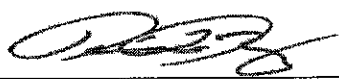
DATED:

WORKPLACE RIGHTS LAW GROUP, LLP

By: _____
Gregory D. Wolflick
Adam N. Bouayad
Attorneys for Plaintiffs TIEN PHAM and
CHASITY BENNETT

DATED: 10/05/2022

AKERMAN, LLP

By:  _____
Damien P. DeLaney
Brian M. Noh

Attorneys for Defendant WALNUT LLC

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

TIEN PHAM on behalf of himself and all other similarly situated, and on behalf of the State of California and other aggrieved employees pursuant to the Private Attorneys General Act ("PAGA"),

Plaintiffs,

vs.

SEVEN POINTS MANAGEMENT, a California corporation; WALNUT LLC, a California Corporation; 3030 WALNUT LLC, A California corporation; 3008 WALNUT LLC, A California corporation; CAMERON DAMWIJK, an individual, and Does 1 through 20,

Defendants.

Case No. 20STCV31808

NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT

**PLEASE READ THIS NOTICE CAREFULLY
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**

Why should you read this notice?

The Los Angeles Superior Court has granted preliminary approval of a proposed class action settlement (the "Settlement") in *Tien Pham v. Seven Points Management, et al.*, Case No. 20STCV31808 (the "Lawsuit"). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

You may be entitled to money from this Settlement. The records of Defendant Walnut LLC ("Defendant" or "Walnut" or "Walnut LLC") show that you were employed at Walnut as either a non-exempt W-2 employee or 1099 independent contractor, in California between August 19, 2017, and **INSERT DATE OF PRELIMINARY APPROVAL** (the "Class Period"). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

"W-2 Worker Sub-Class": All current and former non-exempt W-2 employees who have worked for Walnut in California during the time period of August 19, 2017, through **INSERT DATE OF PRELIMINARY APPROVAL**; and

"Independent Contractor Sub-Class": All current and former individuals who worked for Walnut in California during the time period of August 19, 2017, through **INSERT DATE OF PRELIMINARY APPROVAL**, and were classified as independent contractors;

Collectively, the "W-2 Worker Sub-Class" and "Independent Contractor Sub-Class" are referred to as the "Settlement Class members."

The purpose of this notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiffs Tien Pham and Chasity Bennett ("Plaintiffs") brought this Lawsuit against Walnut LLC, seeking to assert claims on behalf of a class of current and former non-exempt employees and allegedly misclassified independent contractors who worked for Walnut LLC in California at any time beginning August 19, 2017. Plaintiffs Tien Pham and Chasity Bennett are known as the "Class Representatives," and their attorneys, who also represent the interests of all Settlement Class members, are known as "Class Counsel."

The Lawsuit alleges that Walnut LLC failed to pay Settlement Class members all minimum and overtime wages; failed to provide to Settlement Class members all required meal periods and rest breaks. The Lawsuit also alleges Walnut LLC failed to provide Settlement Class members their legally accrued paid sick leave, notice of accrued paid sick leave or protection from discipline, discharge, demotion or termination for taking sick leave that otherwise should have been protected. The Lawsuit further alleges Walnut LLC failed to reimburse Settlement Class members for expenses necessarily incurred by them as direct consequence of their duties as employees. The Lawsuit further alleges Walnut LLC subjected Settlement Class members to illegal deductions of wages, earned bonuses and/or incentive pay. The Lawsuit further alleges Walnut LLC failed to provide its employees with written notice pursuant to Labor Code §2810.5; and failed to keep accurate records as required by Labor Code §1174. The Lawsuit further alleges Walnut LLC misclassified employees as independent contractors. The Lawsuit further alleges that Walnut LLC failed to timely pay all earned wages to Settlement Class members upon their separation of employment from Walnut LLC. As a result of the foregoing alleged violations, Plaintiffs also allege that Walnut LLC failed to provide accurate, itemized wage statements and also engaged in unfair business practices.

Walnut LLC denies and disputes all claims alleged by Plaintiffs. Specifically, Walnut maintains that it has complied with the applicable provisions of the Labor Code at all times and denies that it owes Settlement Class members any wages, restitution, penalties, or other damages. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Walnut LLC, which expressly denies all liability.

The Court has not ruled on the merits of Plaintiffs' claims or determined whether this case may proceed as a class action. However, to avoid additional expense, inconvenience, and interference with its business operations, Walnut LLC has concluded that it is in its best interests and the interests of Settlement Class members to settle the Lawsuit on the terms summarized in this Notice. After Walnut LLC provided relevant information to Class Counsel, the Settlement was reached after mediation and arm's-length negotiations between the parties.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Walnut LLC, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with litigation.

If you are still employed by Walnut LLC, your decision about whether to participate in the Settlement will not affect your employment. California law and Walnut LLC's policies strictly prohibit unlawful retaliation. Walnut LLC will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class member because of the Settlement Class member's decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for the Plaintiff / Settlement Class members:

WORKPLACE RIGHTS LAW GROUP LLP

Adam N. Bouayad
adam@workplacerrightslaw.com
Gregory D. Wolflick
greg@workplacerrightslaw.com
130 N. Brand Blvd., Suite 420
Glendale, California 91203
Tel: (818) 844-5200

What are the terms of the Settlement?

On [INSERT DATE OF PRELIMINARY APPROVAL], the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt employees and independent contractors who worked for Walnut LLC in California from August 19, 2017 through [INSERT DATE OF PRELIMINARY APPROVAL]. Settlement Class members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Walnut as described below.

Walnut has agreed to pay \$396,000 (the "Gross Settlement Amount") to fully resolve all claims in the Lawsuit, including payments to Settlement Class members, attorneys' fees and expenses, payment to the Labor Workforce Development Agency ("LWDA"), settlement administration costs, and the Class Representatives' Service Awards. Walnut LLC's share of payroll taxes associated with any wage payments to Settlement Class members shall be paid by Walnut LLC separately from, and in addition to, the Gross Settlement Amount.

The following deductions from the Gross Settlement Amount will be requested by the parties:

Settlement Administration Costs. The Court has approved CPT Group, Inc. to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside up to \$11,750.00 from the Gross Settlement Amount to pay the Settlement administration costs.

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Lawsuit on behalf of the Settlement Class members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys' fees, which will be paid from the Gross Settlement Amount. Settlement Class members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for fees of up to one-third of the Maximum Settlement Amount, which is estimated to be \$131,868.00, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$15,000.00 for verified costs Class Counsel incurred in connection with the Lawsuit.

Service Award to Class Representative. Class Counsel will ask the Court to award the Class Representatives a Service Award in the amount of \$10,000.00 for Tien Pham and \$6,000.00 for Chasity Bennett for their service and extra work provided on behalf of the Settlement Class members.

LWDA Payment. Class Counsel will ask the Court to approve a payment in the total amount of \$25,000.00 as and for alleged civil penalties (the "PAGA Payment"), payable pursuant to the California Labor Code Private Attorney General Act ("PAGA"). Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Eighteen Thousand Seven Hundred and Fifty Dollars and Zero Cents (\$18,750.00) will be payable to the LWDA, and the remaining twenty-five percent (25%), or Six Thousand Two Hundred and Fifty Dollars and Zero Cents (\$6,250.00), will be payable to certain Settlement Class members as the "PAGA Amount," as described below.

Calculation of Individual Settlement Class Members' Settlement Award. After deducting the Court-approved amounts above, the balance of the Maximum Settlement Amount will form the Net Settlement Amount ("NSA"), which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion (described below).

The NSA is estimated at approximately _____, to be shared among an estimated 421 Settlement Class members. The NSA will be divided as follows:

- (i) Twenty Five Percent (25%) of the remaining Net Settlement Amount shall be allocated to Independent Contractor Sub-Class members who worked during the Class Period, as

follows: each Independent Contractor Sub-Class member shall receive a proportionate settlement share that will be calculated by (1) dividing Twenty Five Percent (25%) of the remaining Net Settlement Amount by the total number of workweeks worked by all members of the Independent Contractor Sub-Class, and (2) multiplying the result by the number of workweeks worked by each individual member of the Independent Contractor Sub-Class during the Class Period..

- (ii) Seventy Five Percent (75%) of the remaining Net Settlement Amount shall be allocated to the W-2 Worker Sub-Class members who worked during the Class Period, as follows: each W-2 Worker Sub-Class member shall receive a proportionate settlement share that will be calculated by (1) dividing Seventy Five Percent (75%) of the remaining Net Settlement Amount by the total number of workweeks worked by all members of the W-2 Worker Sub-Class, and (2) multiplying the result by the number of workweeks worked by each individual member of the W-2 Worker Sub-Class during the Class Period..

In addition, the PAGA Amount will be allocated as follows. Each Class Member who worked for Walnut LLC at any time from June 12, 2019 to [INSERT DATE OF PRELIM APPROVAL] (the "PAGA Period"), shall receive a portion of the PAGA Amount proportionate to the number of Workweeks worked, calculated by (1) dividing the PAGA Amount by the total number of workweeks worked by all Class Members during the PAGA Period, and (2) multiplying the result by the number of workweeks worked by each Class Member during the PAGA Period. .

Dispute Information in Notice of Settlement Award. Your award will be based on the proportionate number of workweeks you worked during the Class Period from August 19, 2017 and [INSERT DATE OF PRELIMINARY APPROVAL], and the PAGA Period from June 12, 2019 and [INSERT DATE OF PRELIMINARY APPROVAL]. The information contained in Walnut LLC's records regarding all of these factors, along with your estimated Settlement Award, is listed on the accompanying Notice of Settlement Award. If you disagree with the information in your Notice of Settlement Award, you may submit a Dispute of Calculation, along with any supporting documentation, in accordance with the procedures stated in section IV of the Notice of Settlement Award. Any Dispute of Calculation, along with supporting documentation, must be postmarked no later than <<RESPONSE DEADLINE>>. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. The Settlement Administrator's decision regarding any dispute will be final.

Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Settlement Awards will be mailed to all Settlement Class members who did not submit a valid and timely Request for Exclusion.

Payment by Walnut LLC of Gross Settlement Amount. The Gross Settlement Amount shall be paid by Walnut LLC, as follows: With the exception of the Claims Administrator's fees, the Gross Settlement Amount shall be deposited with the Claims Administrator on the later of April 30, 2023 or thirty (30) calendar days of the Effective Date (which, for this purpose, shall be defined as the date on which the Court enters an Order granting Final Approval of the Settlement Agreement) or, solely in the event that there are any objections to the Settlement Agreement (the filing of an objection being a prerequisite to the filing of an appeal), the later of: (i) the last date on which any appeal might be filed or (ii) the successful resolution of any appeal(s) – including expiration of any time to seek reconsideration or further review.

Within ten (10) calendar days following Walnut LLC's deposit of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate Individual Settlement Award amounts and provide the same to the parties' counsel for review and approval. Within seven (7) calendar days of approval by the parties' counsel, the Claims Administrator will prepare and mail Individual Settlement Awards, less applicable taxes and withholdings, to participating Settlement Class members, as well as

payment of the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Class Representative Service Awards, and the PAGA Payment in accordance with this Agreement.

Allocation and Taxes. For tax purposes, each Settlement Award shall be allocated as follows: eighty percent (80%) as penalties and interest; and twenty percent (20%) as wages. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed “wages” and IRS Forms 1099 for the amounts allocated as penalties and interest. Settlement Class members are responsible for the proper income tax treatment of the Individual Settlement Awards. The Settlement Administrator, Walnut and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, the Settlement Class, and each Settlement Class member who has not submitted a timely and valid Request for Exclusion, will release Walnut LLC and all of its past and present officers, directors, shareholders, employees, agents, principals, heirs, representatives, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys, including but not limited to named Defendants Seven Points Management and Cameron Damwijk (collectively the “Released Parties”), from all claims, demands, rights, liabilities and causes of action that were pled in the Complaint (or will be pled in any future amended complaint as set forth herein), or which could have been pled in any of the Complaints filed or to be filed based on the factual allegations therein, that arose during the Class Period (“Released Claims”) with respect to the following claims: (a) failure to pay straight time; (b) failure to pay overtime; (c) failure to provide compliant meal periods; (d) failure to provide compliant rest breaks; (e) failure to provide sick pay/leave; (f) failure to provide itemized employee wage statements and keep records; (g) failure to reimburse/illegal deductions; (h) failure to pay all wages owed upon separation of employment; (i) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above; (j) willful misclassification; and (h) all claims alleged under the California Labor Code Private Attorneys General Act of 2004, or that could have been premised on the facts, claims, causes of action or legal theories described above.

The period of the Release shall extend to the limits of the Class Period.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked during the Class Period (as explained above), and as stated in the accompanying Notice of Settlement Award. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a written “Request for Exclusion from the Class Action Settlement” letter or card postmarked no later than **<<RESPONSE DEADLINE>>**, with your name, address, telephone number, last four digits of your social security number, and your signature. The Request for Exclusion should state:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE PHAM, ET AL. V. WALNUT, LLC, ET AL. LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT.”

Send the Request for Exclusion directly to the Settlement Administrator at **<<INSERT ADMINISTRATOR CONTACT INFO>>**. Any person who files a timely Request for Exclusion from the Settlement shall, upon

receipt by the Settlement Administrator, no longer be a Settlement Class member, shall be barred from participating in any portion of the Settlement, and shall receive no benefits from the Settlement. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you must mail a written objection to the Settlement Administrator. Your written objection must include your name, address, as well as contact information for any attorney representing you regarding your objection, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection together with any evidence in support of your objection. Objections must be in writing and must be postmarked on or before **<<RESPONSE DEADLINE>>**.

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing scheduled for **<<FINAL APPROVAL HEARING DATE/TIME>>** in Department 76 of the Los Angeles County Superior Court, located at 111 North Hill Street, Los Angeles, California 90012. You have the right to appear either in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before **<<RESPONSE DEADLINE>>**. All objections or other correspondence must state the name and number of the case, which is *Tien Pham v.. Seven Points Management, et al.*, Los Angeles County Superior Court Case No. 20STCV31808.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on **<<FINAL APPROVAL HEARING DATE/TIME>>**, in Department 76 of the Los Angeles County Superior Court, located at 111 North Hill Street, Los Angeles, California 90012. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Service Award to the Class Representatives. The Final Approval Hearing may be postponed without further notice to Settlement Class members. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.**

How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Los Angeles County Superior Court, located at 111 North Hill Street, Los Angeles, California 90012, during regular court hours. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT, WALNUT LLC OR ITS ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is **<<RESPONSE DEADLINE>>**. These deadlines will be strictly enforced.

BY ORDER OF THE COURT ENTERED ON **<<INSERT PRELIM APPROVAL DATE>>.**

EXHIBIT B

NOTICE OF INDIVIDUAL SETTLEMENT AWARD

Tien Pham on behalf of himself and all other similarly situated, and on behalf of the State of California and other aggrieved employees pursuant to the Private Attorneys General Act ("PAGA")

V.

SEVEN POINTS MANAGEMENT, a California corporation; WALNUT LLC, a California Corporation; 3030 WALNUT LLC, A California corporation; 3008 WALNUT LLC, A California corporation; CAMERON DAMWIJK, an individual, and Does 1 through 20

LOS ANGELES COUNTY SUPERIOR COURT CASE NO. 20STCV31808

Please complete, sign, date and return this form to CPT, Group, Inc. <<ADMINISTRATOR CONTACT INFO>>
ONLY IF (1) your personal contact information has changed, and/or (2) you wish to dispute any of the items listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

(III) Information Used to Calculate Your Individual Settlement Award:

According to Walnut LLC's records:

You were employed by Walnut LLC as [a non-exempt hourly W-2 employee/an independent contractor] and worked a total of [] workweeks during the time period of August 19, 2017 through [INSERT PRELIMINARY APPROVAL DATE].

Based on the above, your Individual Settlement Award is estimated to be \$ [].

(IV) Information Used to Calculate Your PAGA Amount:

You were employed by Walnut LLC as [a non-exempt hourly W-2 employee/an independent contractor] and worked a total of [] workweeks during the time period of June 12, 2019 through [INSERT PRELIMINARY APPROVAL DATE].

Based on the above, your PAGA Amount Award is estimated to be \$ [].

- (V) **Dispute of Calculation:** If you disagree with the information contained in Sections III or IV above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this form:

If you dispute the above information from Walnut LLC's records, Walnut LLC's records will control unless you are able to provide documentation that establishes that Walnut LLC's records are mistaken. If there is a dispute about whether Walnut LLC's information or yours is accurate, and the dispute cannot be resolved informally, the dispute will be resolved by the Parties and the Settlement Administrator as described in the "Notice of Class Action Settlement" that accompanies this Form. Any unresolved disputes will be submitted to the Court for a final determination.

**ANY DISPUTES, ALONG WITH ANY SUPPORTING DOCUMENTATION, MUST BE POSTMARKED
NO LATER THAN <<RESPONSE DEADLINE>>.**