

## **SETTLEMENT AGREEMENT**

This settlement agreement ("Settlement Agreement") is made and entered into between Plaintiff Matthew Reeves, acting in his capacity as private attorney general, and Defendant Apple Cal, LLC.

### **I. DEFINITIONS**

The following terms, when used in this Settlement Agreement, shall have the following meanings:

1. "Action" means the matter entitled *Matthew Reeves v. Apple Cal, LLC, et al.*, Stanislaus County Superior Court, Case No. CV-20-004214, and as set forth in Plaintiff's correspondence to the California Labor and Workforce Development Agency, dated June 8, 2020 and July 6, 2020.
2. "Aggrieved Employees" consist of all current and former non-exempt employees of Defendant Apple Cal, LLC in California from July 25, 2019 through the Effective Date of the Settlement Agreement, as defined below.
3. "Defendant" means Apple Cal, LLC.
4. "Court" means the Superior Court of California for the County of Stanislaus.
5. "Effective Date" means the date upon which the Court enters an Order approving the Settlement Agreement and dismissing the Action with prejudice, as described in this Settlement Agreement.
6. "Individual Settlement Payment" means the amount to be paid to each Aggrieved Employee based on the formula described herein.
7. "LWDA" means the California Labor and Workforce Development Agency.
8. "Maximum Settlement Amount" is the non-reversionary sum of Three Hundred Thirty-Five Thousand Dollars and Zero Cents (\$335,000.00), which represents the total amount payable by Defendant under this Settlement Agreement if the Court approves the settlement set forth in this Settlement Agreement. The Maximum Settlement Amount will be used to make Individual Settlement Payments, payment to the LWDA, payment of Plaintiff's attorneys' fees and costs, payment of Plaintiff's enhancement award, and payment to the Settlement Administrator for administration costs.
9. "Net Settlement Amount" is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts (subject to Court approval) are subtracted from the Maximum Settlement Amount: (a) Plaintiff's attorneys' fees up to thirty-five (35%) of the Maximum Settlement Amount, currently estimated at \$117,250.00; (b) Plaintiff's reasonable verified litigation costs up to \$20,000.00; (c) Plaintiff's representative enhancement payment of up to \$15,000.00; and (d) reasonable third-party administration costs up to \$15,000.00.

10. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

11. "PAGA Period" means the time period from July 25, 2019 through the Effective Date of this Settlement Agreement.

12. "PAGA Released Claims" means any and all claims for civil penalties under PAGA that were actually alleged or could have been alleged in the Action by Plaintiff, on behalf of the State of California, himself and the Aggrieved Employees, based on the facts alleged in the Complaint, including but not limited to: (a) civil penalties pursuant to Labor Code sections 201, 202, 203, 204, 226, 226.7, 512, 516, 558, 1102.5, 1174, 1194 and 1197; (b) Attorneys' Fees and costs incurred in the prosecution of the Action on behalf of the Aggrieved Employees; (c) any other PAGA penalties based on the facts alleged in the Complaint and in the PAGA Notice defined herein below; and (d) all claims that Plaintiff and/or the Aggrieved Employees may have against the Released Parties relating to the payment, taxation, and allocation of attorneys' fees and costs to Plaintiff's Counsel pursuant to this Settlement Agreement. The release of the Released Claims shall be effective as to the PAGA Period.

13. "Released Parties" means as well as its predecessors, merged entities, parents, subsidiaries, affiliates (including, without limitation, SSCP Management, Inc.), related organizations, all of their respective officers, directors, employees, administrators, fiduciaries, trustees, beneficiaries, and agents, and each of their past, present, and future officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, attorneys, auditors, consultants, insurers, and reinsurers.

14. "Parties" means Plaintiff and Defendant.

15. "Plaintiff" means Matthew Reeves.

16. "Plaintiff's Counsel" means Andranik Tsarukyan and Armen Zenjiryan of Remedy Law Group, LLP and Shawnté Priest and Thomas Hogan of the Law Offices of Thomas P. Hogan.

17. "Settlement Administrator" means Phoenix, a third-party settlement claims administrator that the Parties will ask the Court to appoint for the purposes of administering this Settlement Agreement. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

## **II. RECITALS**

1. Plaintiff alleges that Defendant failed to: (i) authorize and permit all lawful rest periods; (ii) authorize and permit all lawful meal periods; (iii) pay for all hours worked at the requisite minimum wage; (iv) reimburse for all necessary expenditures or loss incurred in direct consequence of the discharge of duties; (v) maintain accurate payroll

records, and issue accurate wage statements; (vi) timely pay Aggrieved Employees all wages earned at least twice during each calendar month; and (viii) timely pay the Aggrieved Employees all final wages owed upon their separation from employment, and is therefore liable for civil penalties under PAGA. Defendant denies these allegations and, in making this Settlement, Defendant does not admit the sufficiency of, or liability for, any claims, allegations, assertions, or contentions made against them in the Action.

2. On June 8, 2020 and July 6, 2020 Plaintiff provided written notice of his intent to file a claim for civil penalties under PAGA to the LWDA and Defendant, alleging that Defendant violated California Labor Code sections 204, 226, 226.7, 516, 558, and 1174, as described in Section II.1.

3. On September 28, 2020, Plaintiff filed a representative action complaint titled *Matthew Reeves v. Apple Cal, LLC*, Stanislaus County Superior Court, Case No. CV-20-004214, asserting a single cause of action under the PAGA for violations of Labor Code sections 201, 202, 203, 204, 226, 226.7, 512, 516, 558, 1174, 1194 and 1197, based on the allegations described in Section II.1.

4. On December 29, 2020, Plaintiff filed a supplemental written notice under PAGA to the LWDA and Defendant further setting forth additional facts and theories alleging that Defendant violated California Labor Code sections 204, 226, 226.7, 516, 558, 1102.5, 1174, 1194 and 1197, as described in Section II.1. This supplemental written notice also asserted all of the alleged Labor Code violations and theories against SSCP Management, Inc.

5. In response to Plaintiff's Counsel's informal discovery requests, Defendant provided Plaintiff's Counsel with information and documents pertaining to Plaintiff and other Aggrieved Employees in order for Plaintiff's Counsel to investigate Plaintiff's allegations and value the PAGA claim.

6. On May 21, 2021, the Parties participated in a full-day mediation with Deborah Saxe, Esq. With the assistance of Ms. Saxe, the Parties agreed to fully and finally resolve the PAGA Released Claims as to Plaintiff and Aggrieved Employees.

7. There has been no determination of the merits of the Action or the Plaintiff's PAGA Notice but, in order to avoid additional cost and the uncertainty of litigation, the Parties desire to resolve the Action.

8. The Parties' Settlement Agreement contemplates the (a) entry of an order by the Court approving the payment allocated for resolution of the PAGA penalties; (b) dismissal of the Action with prejudice; and (c) all parties bearing their respective fees and costs except as expressly provided in this Settlement Agreement.

### **III. OPERATIVE TERMS OF SETTLEMENT**

The Parties agree as follows:

1. **Non-Admission**. Nothing in this Settlement Agreement shall be construed to

be an admission by Plaintiff that his claims do not have merit or by Defendant of any liability or wrongdoing as to Plaintiff, the Aggrieved Employees, or any other person, and Defendant specifically disclaims any such liability or wrongdoing. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses and risks. This Settlement Agreement and any related court documents or orders are not, and may not be, cited or admitted as evidence of liability.

2. **Court Approval and Submission to LWDA.** The Parties will seek to obtain the Court's approval of the payment of Maximum Settlement Amount as described in this Settlement Agreement by way of an unopposed motion to be filed by Plaintiff's Counsel. Plaintiff's Counsel and Defense Counsel will jointly lodge this Settlement Agreement with the Court for its approval. The Court's approval of the Maximum Settlement Amount as described in this Agreement shall be embodied in a written Order. Should the Court not grant approval of the payment of the Settlement Sum as described in this Settlement Agreement, then the entirety of this Settlement Agreement shall be null and void.

Pursuant to California Labor Code § 2699(l), Plaintiff will provide a copy of this Settlement Agreement to the LWDA concurrently with the filing of the motion for Settlement Approval. Plaintiff or Plaintiff's Counsel will also file a declaration in support of the motion for Settlement Approval confirming that he has submitted the Settlement Agreement to the LWDA in compliance with Labor Code § 2699(l). Upon entry of judgment by the Court, Plaintiff's Counsel shall submit a copy of the judgment to the LWDA, and provide proof of said submission to counsel for Defendant.

3. **Funding of Maximum Settlement Amount.** Defendant shall deposit the Maximum Settlement Amount with the Settlement Administrator within ninety (90) calendar days after the Effective Date.

4. **No Additional Contribution by Defendant.** Defendant's monetary obligation under this Settlement Agreement is limited to the Maximum Settlement Amount without exception. All costs and expenses arising out of or in connection with performance of this Agreement shall be paid from the Maximum Settlement Amount, unless expressly provided otherwise herein. Defendant has no employer tax obligation attributable to the payments set forth in this Settlement Agreement. However, in the event this Agreement is deemed null and void, as set forth in this Settlement Agreement, then Plaintiff shall be responsible for the costs of the Settlement Administrator incurred between the date the Settlement Agreement was executed and the date of such event.

5. **Net Settlement Amount.** The Parties agree that the following amounts should be subtracted from the Maximum Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees:

a. **Plaintiff's Attorneys' Fees and Costs.** Defendant will not oppose Plaintiff's request for attorneys' fees in the amount of up to thirty-five percent of the Maximum Settlement Amount (currently estimated to be \$117,250.00) and actual costs incurred in prosecuting this Action, up to

\$15,000.00. In the event the Court approves a payment of less than these amounts, the difference will be added to the Net Settlement Amount. The Settlement Administrator will report these payments on IRS Form 1099 issued to Plaintiff's Counsel.

- b. Plaintiff's Enhancement Award. Defendant will not oppose Plaintiff's request for an enhancement award in the amount of \$15,000.00 for his service to the LWDA and the Aggrieved Employees, and the risk Plaintiff undertook by attaching his name to this Action. In the event the Court approves a payment of less than the requested amount, the difference will be added to the Net Settlement Amount. The Settlement Administrator will report this payment on IRS Form 1099 issued to Plaintiff.
- c. Administration Costs. Defendant will not oppose the Settlement Administrator's costs in the amount up to \$15,000.00 for administering the Settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. The Settlement Administrator will report this payment on IRS Form 1099 issued to the Settlement Administrator.

6. Allocation of Net Settlement Amount. The Net Settlement Amount shall be distributed 75% to the LWDA and 25% to the Aggrieved Employees, pursuant to Labor Code § 2699(i). The 25% allocated to be paid to Aggrieved Employees shall be distributed to all Aggrieved Employees with each Aggrieved Employee receiving a proportional share (based on the number of pay periods each employee worked in the PAGA Period) of the 25% allocation.

7. Release By Aggrieved Employees. Upon entry of an Order approving the Settlement Agreement, Plaintiff, all of the Aggrieved Employees, and the State of California shall be deemed to have fully, finally, and forever released, relinquished, and discharged any and all PAGA Released Claims against the Released Parties that arose during the PAGA Period. Upon entry of the Order approving the Settlement Agreement and judgment entered thereon, Plaintiff, the Aggrieved Employees, and the State of California will be forever barred from pursuing any and all of the PAGA Released Claims that arose during the PAGA Period against the Released Parties. Aggrieved Employees may discover facts in addition to those they now know or believe to be true with respect to the subject matter of the PAGA Released Claims, but upon the Effective Date of the Settlement Agreement, the Aggrieved Employees shall be deemed to have, and by operation of the Order approving the Settlement Agreement shall have fully, finally, and forever released any and all of the PAGA Released Claims, without regard to the subsequent discovery or existence of such different or additional facts. Upon the Effective Date of the Settlement Agreement, Plaintiff and the Aggrieved Employees are estopped from suing or otherwise making any claim against any of the Released Parties seeking recovery for any of the PAGA Released Claims. It is the intent of the Parties that the Order approving the Settlement Agreement shall have full *res judicata* effect and be final and binding upon Plaintiff and the other Aggrieved Employees regarding the PAGA Released Claims.

8. **No Right of Aggrieved Employees to Object or Opt-Out.** The Parties agree that there is no statutory right for any Aggrieved Employee to object, opt out, or otherwise exclude himself or herself from the Settlement Agreement. Except as otherwise stated, the Parties will vigorously defend against any attempt by any Aggrieved Employee or by any entity or agency to intervene in this matter or object to/opt-out of this settlement. The Parties further agree that there is no right or opportunity for any Aggrieved Employee, other than Plaintiff, to appeal the denial of the motion to approve the Settlement Agreement by the Court. The Parties will jointly defend against any appeal filed with respect to the Court Order approving the Settlement Agreement.

9. **Waiver of Certain Appeals.** In the event the Court grants approval of this Settlement Agreement, the Parties agree to waive appeals concerning this Settlement Agreement.

10. **Further Release by Plaintiff.** Plaintiff and any person acting by, through, or under him, hereby releases, waives, and forever discharges the Released Parties from any and all actions, demands, obligations, agreements, or proceedings of any kind, whether known or unknown, which exist as of the date Plaintiff signs this Settlement Agreement, including, but not limited to, any claims arising out of, or connected with, his hiring and employment, his separation of employment, and/or all matters in law, in equity, in contract, or in tort, or pursuant to statute, including damages, attorneys' fees, costs, and expenses and, without limiting the generality of the foregoing, all claims arising under the Age Discrimination in Employment Act of 1967, as amended ("ADEA"), the Older Workers Benefit Protection Act ("OWBPA"), Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Americans With Disabilities Act, the California Fair Employment and Housing Act, California Labor Code, California Civil Code, the Fair Credit Reporting Act and its state law counterparts, or any other federal, state, or local law, statute, or ordinance affecting Plaintiff's employment with Defendant, or the termination of that employment. Plaintiff understands this release does not apply to: any claims or rights that may arise after the date that Plaintiff signs this Settlement Agreement; the consideration for this release; vested rights under Defendant's ERISA-covered employee benefit plans as applicable on the date Plaintiff signs this release; any claims for workers' compensation benefits arising from Plaintiff's employment; and, any claims which may not be released by private agreement. Plaintiff further agrees that all rights under section 1542 of the Civil Code of the State of California and any similar state or federal law are hereby waived by him. Section 1542 provides as follows:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT 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.**

11. **Covenants and Representations by Plaintiff.** Plaintiff represents and warrants that he has not assigned or transferred, or purported to assign or transfer, to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement. Plaintiff acknowledges that he has read this Settlement Agreement, that he fully understands his rights, privileges and duties under the Settlement Agreement, and enters into this Settlement Agreement freely and voluntarily. Plaintiff further acknowledges that he had the opportunity to consult with his attorneys to explain the terms of this Settlement and the consequences of signing this Settlement Agreement.

12. **Confidentiality.** Except as provided herein, and to the extent necessary to effectuate the Settlement Agreement or as required by court or legal process, Plaintiff and Plaintiff's Counsel will keep the terms of this Settlement confidential. Neither Plaintiff nor Plaintiff's Counsel shall issue a press release, hold a press conference, publish information about the Settlement on any website or through any social media or otherwise publicize the Settlement Agreement or communicate its terms in public or in private, unless ordered by the Court. However, for the limited purpose of establishing adequacy of counsel in future actions, Plaintiff's Counsel may reference the Action by name and case number in a declaration establishing adequacy as class or representative counsel.

13. **Judgment.** As part of the Motion to approve the Settlement Agreement, Plaintiff shall submit a proposed order and judgment which enters judgment in the Action in accordance with the terms of this Settlement Agreement and which retains jurisdiction of the Court over the Action for the purpose of enforcing the terms of the Settlement Agreement following approval of the Settlement Agreement. This Settlement Agreement is expressly conditioned upon the Court entering an order as set forth herein. The order will not release or bar any claims other than the PAGA Released Claims as to the Aggrieved Employees. The Parties agree to reasonably cooperate in preparing any other filings required by the Court for the approval of the Settlement Agreement.

#### **IV. ADMINISTRATION OF SETTLEMENT**

1. **Settlement Administrator.** The Parties agree to use Phoenix Class Action Administration Solutions to handle the administration of this Settlement Agreement. Upon approval of the Court, Plaintiff's Counsel will retain the Settlement Administrator to administer this Agreement. The Settlement Administrator will be responsible for: establishing the settlement fund account; calculating Individual Settlement Payments; preparing, printing, and mailing the individual settlement checks and accompanying Notice; disbursing payment of attorneys' fees and attorneys' costs to Plaintiff's Counsel; disbursing payment to the LWDA consisting of seventy-five percent (75%) of the Net Settlement Amount; printing and providing Aggrieved Employees and Plaintiff's Counsel with IRS Forms 1099 as required under this Settlement Agreement and applicable law; providing a due diligence declaration for submission to the Court upon completion of the terms of the Settlement Agreement; and for such other tasks as the Parties mutually agree or the Court orders. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities, and shall not mail any payments to Plaintiff, the LWDA, Plaintiff's Counsel or any Aggrieved Employee until the

amounts are approved by the Parties. Any legally mandated tax reports, tax filings, or other tax documents required by the administration of this Agreement shall be prepared by the Settlement Administrator. Any expenses incurred in connection with such preparation shall be part of the settlement administration costs.

2. **Provision of Information for Aggrieved Employees.** Within fifteen (15) business days after the Effective Date, Defendant shall provide the Settlement Administrator with information for Aggrieved Employees. Defendant will, in good faith, compile from its records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing address, last known telephone number, start date(s) of employment, end date(s) of employment, and Social Security numbers. Because pay periods may not be readily determined based on employment start and end dates alone as a result of inconsistent operations during the COVID-19 Pandemic, Defendant may also submit pay period totals for the Aggrieved Employees. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement Agreement. This list of Aggrieved Employees will not be provided to Plaintiff's Counsel.

Within ten (10) business days of receiving the Aggrieved Employees' information from Defendant, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the Individual Settlement Payments to each Aggrieved Employee (identified by employee number or similar) and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel for the Parties of the calculations before mailing Individual Settlement Payments.

3. **Explanatory Letter and Individual Settlement Payments.** Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses.

Within five (5) business days after Defendant deposits the Maximum Settlement Amount with the Settlement Administrator, as provided above, the Settlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, in English and Spanish, along with the Individual Settlement Payments to all Aggrieved Employees via First-Class U.S. Mail.

Each Individual Settlement Payment shall be deemed penalties and reported using IRS Form 1099. Checks will remain negotiable for one hundred eighty (180) days from their issuance. Any check that is not cashed within one hundred eighty (180) days from the date of their issuance shall become void on the 181st day after issuance, i.e., the Void Date. The Parties agree that, within fourteen (14) calendar days after the Void Date, any unclaimed funds in the Settlement Fund Account as a result of the failure to cash Individual Settlement Payment checks prior to the Void Date shall be paid by the Settlement Administrator to the LWDA.

4. **Undeliverable Notices.** The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee.

Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a Skip-Trace or other search using the name, address or Social Security number of the Aggrieved Employee involved, and will perform a single re-mailing.

Defendant will be deemed to have fully discharged its obligations to those Aggrieved Employees to whom they will pay an Individual Settlement Payment through the Settlement Administrator's initial mailing of a check, regardless of whether such checks are actually received and/or negotiated by Aggrieved Employees.

5. **Defendant's Satisfaction of Obligation to Aggrieved Employees.** The Settlement Administrator's compliance with the procedures set forth in Section[s] IV, *inclusive*, shall constitute due and sufficient notice to the Aggrieved Employees and shall satisfy Defendant's obligation to Aggrieved Employees for payment under this Settlement Agreement.

6. **Payment of Remainder.** Within five (5) business days after Defendant deposits the Maximum Settlement Amount, the Settlement Administrator will distribute the following additional payments: (1) the 75% share of the Net Settlement Fund to the LWDA; (2) Court-approved attorneys' fees and costs to Plaintiff's Counsel; (3) Court-approved enhancement award to Plaintiff; and (4) Court-approved administration costs to the Settlement Administrator.

7. **Accounting.** Within fifteen (15) business days following the initial mailing of the Individual Settlement Payments, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the Settlement Agreement.

8. **Tax Consequences.** Individual Settlement Payments made under this Settlement Agreement will be attributed 100% as penalties and interest and paid pursuant to a IRS Form 1099 issued to each Aggrieved Employee. The Parties make no representation as to the tax treatment or legal effect of the payments called for hereunder, and the Parties are not relying on any statement, representation, or calculation by any of the Parties or by the Settlement Administrator in this regard. Plaintiff understands and agrees that he will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein and will hold Plaintiff's Counsel, Defendant, the Released Parties, Defense Counsel, and the Settlement Administrator free and harmless from and against any claims resulting from treatment of such payments as non-taxable damages. Each Party to this Settlement Agreement (for purposes of this section, the "Acknowledging Party" and each Party to this Settlement Agreement other than the Acknowledging Party, an "other Party") acknowledges and agrees that: (a) no provision of this Settlement 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 will 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 C.F.R. Part 10, as amended); (b) the Acknowledging Party (i) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (ii) has not entered into this Settlement Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party, and (iii) 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 (c) no attorney or advisor to any other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser'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 Settlement Agreement

#### **V. MISCELLANEOUS PROVISIONS**

1. **Successors.** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto (including the Released Parties) and their respective heirs, trustees, executors, administrators and successors.

2. **Costs and Fees.** The Parties shall each bear their own costs, attorneys' fees, mediator fees and other fees incurred in connection with this Settlement Agreement, the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

3. **Governing Law.** This Settlement Agreement shall be construed under and governed by the laws of the State of California, without regard to choice of law principles. All questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the State of California, County of Stanislaus.

4. **Complete Agreement.** The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the Action. This Settlement Agreement cannot be amended or modified except by a writing signed by the Parties hereto.

5. **Nullification of Settlement.** In the event that: (i) the Court does not approve the Settlement Agreement as provided herein; or (ii) the Settlement Agreement does not become final for any other reason, then this Settlement Agreement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions.

6. **Judgment and Continued Jurisdiction.** After approval of this Settlement Agreement, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement Agreement; (ii)

settlement administration matters; and (iii) such post-judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

7. **Amendment or Modification.** This Settlement Agreement may be amended or modified only by a written instrument, signed by the Parties or their successors-in-interest or counsel for the Parties.

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

9. **Execution and Counterparts.** This Settlement Agreement is subject only to the execution of the Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

10. **Acknowledgement that the Settlement is Fair and Reasonable.** The Parties believe this Settlement Agreement is a fair, adequate and reasonable settlement of the Action, and have arrived at this Settlement Agreement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement Agreement.

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

12. **Severability.** If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Settlement Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

13. **Waiver.** No waiver of any condition or covenant contained in this Settlement 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.

14. **Enforcement Action.** The parties agree that the Stanislaus Superior Court shall have jurisdiction to enforce this Settlement Agreement pursuant to California Code of Civil Procedure Section 664.6. 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 Agreement or to declare rights and/or obligations under this Settlement Agreement, 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.

15. **Mutual Preparation.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement will not be construed more strictly against one Party 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 arm 's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

16. **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 this Settlement has been executed with the consent and advice of counsel and reviewed in full.

17. **Cooperation and Execution of Necessary Documents.** The Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. The Parties agree to work cooperatively, diligently and in good faith to ensure that all documents necessary to seek the Court's approval of this Settlement Agreement are timely filed.

18. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this Settlement, 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.

19. **Denial of Liability.** The Parties expressly recognize that the making of this Settlement Agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendant. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of this Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state or local law, statute, ordinance, regulation, rule or executive order, or any obligation

or duty at law or in equity. Notwithstanding the foregoing, this Settlement Agreement may be used in any Court proceeding that has as its purpose the interpretation, implementation or enforcement of the Settlement Agreement or any orders or judgments of the Court entered into in connection therewith.

IN WITNESS THEREOF, the Parties to this Settlement Agreement each acknowledge that they have read the foregoing Settlement Agreement, accept and agree to the provisions contained in this Settlement Agreement and hereby execute it voluntarily and with full understanding of its consequences.

**MATTHEW REEVES**

**DATED:**

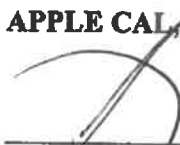
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7/23/2021

Matthew Reeves, Plaintiff

**APPLE CAL, LLC**

**DATED:**

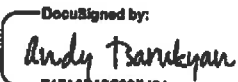
  
Apple Cal, LLC, Defendant

7/28/21

**APPROVED AS TO FORM:**

**REMEDY LAW GROUP, LLP**

**DATED:**

DocuSigned by:  
  
F17A8D18C39E43A

7/23/2021

Andranik Tsarukyan  
Armen Zenjiryan  
Attorneys for Plaintiff Matthew Reeves

**LAW OFFICE OF THOMAS P. HOGAN**

**DATED:**



July 23, 2021

Shawnté Priest  
Thomas P. Hogan  
Attorneys for Plaintiff Matthew Reeves

**APPROVED AS TO FORM:**

**LITTLER**

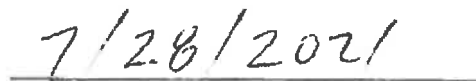
A handwritten signature in black ink, appearing to be "Douglas Ropel", written over a horizontal line.

Douglas Ropel

Britney Torres

Attorneys for Defendant Apple Cal, LLC

**DATED:**

A handwritten date "7/28/2021" in black ink, written over a horizontal line.

# Exhibit A

**NOTICE OF PAGA SETTLEMENT AND RELEASE OF CLAIMS**

*Matthew Reeves v. Apple Cal, LLC, et al.*

Stanislaus County Superior Court, Case No. CV-20-004214

<<EMPLOYEE NAME>>  
<<EMPLOYEE STREET ADDRESS>>  
<<EMPLOYEE CITY, STATE, ZIP CODE>>  
<<XXX-XX-                      >>

**I. NOTICE OF PAGA SETTLEMENT**

The Stanislaus County Superior Court (the "Court") has approved a settlement in the above-captioned action filed by Matthew Reeves ("Plaintiff") on behalf of himself and all other aggrieved employees.

In this lawsuit, Plaintiff is seeking to recover civil penalties for violations of the California Labor Code on behalf of the California Labor and Workforce Development Agency ("LWDA") and other aggrieved employees under the Private Attorneys General Act ("PAGA"). These civil penalties are based on Plaintiff's allegations that Apple Cal, LLC ("Defendant") failed to: (i) authorize and permit all lawful rest periods; (ii) authorize and permit all lawful meal periods; (iii) pay for all hours worked at the requisite minimum wage; (iv) reimburse for all necessary expenditures or loss incurred in direct consequence of the discharge of duties; (v) maintain accurate payroll records, and issuance of accurate wage statement; (vi) timely pay Aggrieved Employees all wages earned at least twice during each calendar month; and (viii) timely pay the Aggrieved Employees all final wages owed upon their separation from employment, and is therefore liable for civil penalties under PAGA.

The Court has not made a determination about Plaintiff's claims. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of Plaintiff's claims.

Defendant maintains that Plaintiff's allegations are without merit and enters into this Settlement with no admission of liability, and solely for the purposes of compromising and settling the action to avoid the cost and operational burden of continued litigation.

You are receiving this Notice because you are in the group of employees referred to as "Aggrieved Employees," which is defined as: all current and former non-exempt employees who worked for Apple Cal, LLC in California from July 25, 2019 through <<INSERT DATE>> (the "PAGA Period").

**II. CALCULATION OF INDIVIDUAL SETTLEMENT PAYMENT**

Each Aggrieved Employee is receiving a proportional share of the settlement amount that has been designated as payable to the Aggrieved Employees. Each Aggrieved Employee's proportional share is based upon the number of pay periods the employee worked during the PAGA Period. Therefore, your individual settlement payment has been calculated at \$<<AMOUNT PAID TO THIS EMPLOYEE>>. Your payment is enclosed with this Notice.

## **RELEASE**

“Released Parties” means Defendant and its parent companies, subsidiaries, affiliates (including, without limitation, SSCP Management, Inc.), shareholders, members, agents (including, without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees), predecessors, successors, and assigns.

The Court has approved the parties’ Settlement Agreement (the “Settlement”) and entered judgment thereon. By operation of the Settlement’s terms, all Aggrieved Employees have released the Released Parties from any and all PAGA claims that were pled in the Action, or which could have been pled under the PAGA based on the factual allegations in the Action, that arose during the PAGA period (“PAGA Released Claims”).

Pursuant to the entry of the Order approving the Settlement and entering judgment thereon, any Aggrieved Employee covered by this Agreement is barred from pursuing any and all of the PAGA Released Claims that arose during the PAGA Period against the Released Parties.

## **III. SETTLEMENT ADMINISTRATOR**

### **PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.**

You may call the Court-approved Settlement Administrator, Phoenix Class Action Administration Solutions, at <<ADMINISTRATOR INFO>> with any questions.

Settlement checks will remain valid for 180 days. Checks remaining un-cashed for more than 180 days after issuance will be tendered to the California Labor and Workforce Development Agency within fourteen (14) calendar days from the date on which Affected Employees’ checks become void. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

