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SUPERIOR COURT OF THE STATE OF CALIFORNIA
 FOR THE COUNTY OF LOS ANGELES

ERIC GALVEZ, individually, and on behalf of
 all others similarly situated,

Plaintiff,

vs.

YAMATO VALENCIA, INC., a California
 corporation; YAMATO ENCINO
 CORPORATION, a California corporation;
 and DOES 1 through 10, inclusive,

Defendants.

Case No.: 20STCV22760

CLASS ACTION

[Hon. Daniel J. Buckley, Dept. 1]

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

Complaint filed: June 12, 2020
 Trial date: Not set

JOINT STIPULATION OF CLASS ACTION SETTLEMENT

This Joint Stipulation of Class Action and PAGA Settlement (“Joint Stipulation of Settlement,” “Settlement,” or “Agreement”) is made and entered into by and between Plaintiff ERIC GALVEZ, (“Plaintiff” or “Class Representative”), individually, and on behalf of all others similarly situated, and Defendant YAMATO VALENCIA, INC. (“Defendant”). Plaintiff and Defendant (individually, “Party,” or collectively “the Parties”) stipulate and agree to the following:

DEFINITIONS

1. For purposes of this Settlement, “Class Counsel” means MOON & YANG, APC.
2. For purposes of this Settlement, “Defendant’s Counsel” means LANDEGGER VERANO & DAVIS, ALC.
3. For purposes of this Settlement, “Action” means the action entitled *Galvez v. Yamato Valencia, Inc., et al.*, Case No. 20STCV22760.
4. For purposes of this Settlement, “Complaint” means the first amended complaint filed in the Action on December 17, 2020.
5. For purposes of this Settlement, “Class” or “Class Members” means any and all hourly, non-exempt employees who worked for Defendant in California during the Class Period. The Parties estimate that the Class includes approximately 439 Class Members as of November 22, 2021.
6. For purposes of this Settlement, “Class Period” means the period from June 12, 2016, to December 31, 2021.
7. For purposes of this Settlement, “Settlement Class” or “Settlement Class Members” means Class Members who do not submit timely and compliant exclusion requests to the Settlement Administrator.
8. For purposes of this Settlement, “Covered Workweeks” means the number of weeks a Class Member worked at Defendant’s locations in California during the Class Period.
9. For purposes of this Settlement, “Settlement Class Payment” means the portion of the Gross Settlement Amount that will be allocated to the settlement of the Released Class Claims.
10. For purposes of this Settlement, “Released Class Claims” means any and all claims, rights, demands, liabilities, penalties, costs, expenses, attorneys’ fees, damages, and causes of action that are

1 alleged, or reasonably could have been alleged based on the facts and claims asserted in the operative
2 complaint in this action, including the following claims: failure to pay minimum and straight time wages,
3 failure to pay overtime compensation, failure to provide compliant meal periods, failure to authorize and
4 permit compliant rest periods, failure to indemnify necessary business expenses, failure to timely pay final
5 wages upon separation from employment, failure to provide and maintain accurate itemized wage
6 statements, Unfair Practices under the Unfair Competition Act (“UCL”), during the Class Period,
7 including violation of the following sections of the California Labor Code sections 201, 202, 203, 204,
8 218.5 218.6, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1194, 1194.2, 1197, 1198, 2802, derivative claims
9 under California Business & Professions Code § 17200, violation of the California Code of Regulations,
10 Title 8 section 11040, violation of the California Industrial Wage Orders, and violation of California’s
11 unfair business practices and unfair competition laws, as well as any potential penalties, interest, or
12 attorneys’ fees associated with these causes of action under California or federal law (“Released Claims”).
13 As to any participating Settlement Class Member who cashes and/or negotiates the check representing
14 their individual Settlement Payment, the signing and negotiation of that check shall serve as the Settlement
15 Class Member’s consent to join the action for purposes of releasing the Released Claims arising under the
16 Fair Labor Standards Act (“FLSA”).

17 11. For purposes of this Settlement, “PAGA” means the Labor Code Private Attorneys
18 General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*).

19 12. For purposes of this Settlement, “PAGA Representative” means Plaintiff.

20 13. For purposes of this Settlement, “PAGA Employees” or “PAGA Settlement Employees”
21 means all hourly, non-exempt employees who worked for Defendant in California who worked during the
22 PAGA Period. The Parties stipulate that, for purposes of this Settlement, and as defined pursuant to the
23 PAGA, all PAGA Employees are “Aggrieved Employees.”

24 14. For purposes of this Settlement, “PAGA Period” means the period from June 4, 2019, to
25 December 31, 2021.

26 15. For purposes of this Settlement, “Released PAGA Claims” means any and all claims,
27 causes of action, damages, expenses, benefits, interest, penalties, attorneys’ fees, costs, and any other form
28 of relief or remedy in law, equity, or whatever kind or nature that were asserted or could have been

1 asserted with respect to the Private Attorneys General Act (“PAGA”) claims asserted in the Action and in
2 Plaintiff’s LWDA Notice(s) submitted to the LWDA in this Action on June 4, 2020.

3 16. For purposes of this Settlement, “PAGA Payment” means the portion of the Gross
4 Settlement Amount that will be allocated to the settlement of the Released PAGA Claims, with 75% paid
5 to the Labor and Workforce Development Agency (“LWDA”) and 25% paid to the PAGA Settlement
6 Employees on a pro-rata basis, based on the total number of workweeks of each class member according
7 to Defendant’s records during the PAGA Period. The Parties have agreed that the PAGA Payment will be
8 \$30,000.00 from the Gross Settlement Amount. Pursuant to the PAGA, 75% of the PAGA Payment, or
9 \$22,500.00, will be paid to the LWDA, and 25% of the PAGA Payment, or \$7,500.00, will be paid to the
10 PAGA Employees.

11 17. For purposes of this Settlement, “Settlement Payment” means all of the Settlement Class
12 Payments together with all of the PAGA Payments.

13 18. For purposes of this Settlement, “Response Deadline” means the date sixty (60) days after
14 the Settlement Administrator initially mails the Notice of Settlement (“Notice”) to the Class Members and
15 the last date on which Settlement Class Members may submit a request for exclusion or written objection
16 to the non-PAGA portion of this Settlement. In the case of a re-mailed Notice, the Response Deadline will
17 be the later of sixty (60) calendar days after initial mailing or fourteen (14) calendar days from re-mailing.
18 The Response Deadline may be extended only as expressly described herein.

19 **STIPULATED BACKGROUND**

20 19. Plaintiff filed a putative class action on June 12, 2020, alleging the following causes of
21 action: (1) Failure to Pay Minimum Wage and Straight Time Wages [Cal. Lab. Code §§ 204, 1194,
22 1194.2, 1197, and the Industrial Welfare Commission Wage Orders]; (2) Failure to Pay Overtime
23 Compensation [Cal. Lab. Code §§ 1194, 1198, and the Industrial Welfare Commission Wage Orders]; (3)
24 Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512, and the Industrial Welfare Commission
25 Wage Orders]; (4) Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code § 226.7, and the Industrial
26 Welfare Commission Wage Orders]; (5) Failure to Indemnify Necessary Business Expenses [Cal. Lab.
27 Code § 2802, and the Industrial Welfare Commission Wage Orders]; (6) Failure to Timely Pay Final
28 Wages at Termination [Cal. Lab. Code §§ 201-203, and the Industrial Welfare Commission Wage

1 Orders]; (7) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226, and the
2 Industrial Welfare Commission Wage Orders]; and (8) Unfair Business Practices [Cal. Bus. & Prof. Code
3 §§ 17200, *et seq.*]. In his initial complaint, Plaintiff sought to represent all persons that worked for
4 Defendant in California as an hourly-paid, non-exempt employee at any time during the period beginning
5 four years before the filing of the initial complaint and ending when Notice to the Class is sent.

6 20. Plaintiff filed a claim for Civil Penalties under the PAGA when it sent a Notice of Labor
7 Code Violations and PAGA Penalties to the LWDA on June 4, 2020. In doing so, Plaintiff satisfied the
8 administrative exhaustion requirement for filing such a claim with the LWDA.

9 21. Plaintiff filed a first amended complaint on December 16, 2020, which alleged one
10 additional cause of action for Civil Penalties under the PAGA [Cal. Lab. Code §§ 2698, *et seq.*].

11 22. Defendant denies any and all liability and wrongdoing associated with the claims alleged
12 in the Complaint. In particular, Defendant denies that Defendant failed to pay proper wages; provide meal
13 periods or make meal periods available as required; permit and authorize rest breaks or make rest breaks
14 available as required; indemnify employees for necessary business expenses; timely pay wages upon
15 termination of employment; and provide accurate itemized wage statements.

16 23. Defendant contends that it has complied with the California Labor Code and the applicable
17 Wage Orders of the Industrial Welfare Commission at all times. Furthermore, Defendant contends that it
18 has complied with the California Business and Professions Code at all times.

19 24. Defendant denies the Action is appropriate for class or representative treatment for any
20 purpose other than settling this lawsuit.

21 25. The Parties, for settlement purposes only, stipulate and agree that in the event this
22 Settlement does not become effective, the fact that the Parties were willing to stipulate to class certification
23 as part of the Settlement shall have no bearing on, and shall not be admissible in connection with, the issue
24 of whether the Class Members and/or the Class Claims should be certified in a non-Settlement context, in
25 this Action or in any other lawsuit. Defendant expressly reserves its right to oppose claim or class
26 certification in this or any other action.

27 26. The Parties, for settlement purposes only, stipulate and agree that the requirements for
28 class certification have been met and are met with respect to the Class Members. In particular, the Parties

1 stipulate and agree that:

- 2 (a) The Class is ascertainable.
- 3 (b) The Class is so numerous as to make it impracticable to join all Class Members.
- 4 (c) The claims of the Class Representative are typical of the claims of the Class
- 5 Members.
- 6 (d) The Action is comprised of common questions of law and fact including, but not
- 7 limited to:
- 8 1) Whether or not Defendant paid proper wages to the Class;
- 9 2) Whether or not Defendant provided meal periods to the Class;
- 10 3) Whether or not Defendant authorized and permitted rest breaks to the
- 11 Class;
- 12 4) Whether or not Defendant indemnified Class Members for necessary
- 13 business expenses throughout their employment;
- 14 5) Whether or not Defendant timely paid compensation to former Class
- 15 Members upon termination of employment;
- 16 6) Whether or not Defendant provided accurate itemized wage statements to
- 17 the Class;
- 18 7) Whether or not Defendant engaged in unlawful or unfair business practices
- 19 affecting the Class in violation of California Business and Professions
- 20 Code §§ 17200-17208; and
- 21 8) Whether or not Civil Penalties are available to Class Members for
- 22 Defendant's violation of the California Labor Code.
- 23 (e) The Class Representative and Class Counsel will fairly and adequately protect the
- 24 interests of the Class.
- 25 (f) The Action eliminates the risk of inconsistent or varying adjudications, and thus
- 26 prevents incompatible standards of conduct by avoiding separate adjudications.
- 27 (g) The Action is comprised of questions of law and fact common to the members of
- 28 the Class which predominate over any questions affecting any individual member

1 in the Class, and thus, a Class Action is superior to other available means for the
2 fair and efficient adjudication of the controversy.

3 27. The Parties seek to fully, finally, and forever settle, compromise, and discharge all disputes
4 and claims arising from or related to the Complaint.

5 28. The Parties agree to cooperate and take all steps necessary and appropriate to obtain
6 preliminary and final approval of this Settlement.

7 29. The Parties agree to stay all proceedings in the Action, except such proceedings necessary
8 to implement and complete this Settlement, pending the Final Approval Hearing to be conducted by the
9 Court.

10 30. The Parties agree that the terms set forth in this Joint Stipulation of Settlement are fair,
11 reasonable, and adequate, and in the best interest of the Class. This Agreement is based on Class Counsel's
12 thorough investigation into the facts of the Action, including an extensive review of relevant documents,
13 and into the claims asserted by Plaintiff. In addition, this Agreement is based on all known facts and
14 circumstances, including the risk of significant delay if a Settlement were not reached, the risk the Class
15 will not be certified by the Court, defenses asserted by Defendant, the challenges presented by class
16 certification, and numerous potential appellate issues. It is on these bases that the Parties agree as to the
17 fairness and reasonableness of the Agreement.

18 **PRIMARY TERMS OF SETTLEMENT**

19 31. NOW THEREFORE, in consideration of the mutual covenants, promises, and agreements
20 set forth herein, the Parties agree to the following, subject to Court approval:

21 (a) The Action and any claims, damages, or causes of action arising out of the disputes
22 which are the subject of the Action, shall be settled and compromised between the
23 Class and Defendant, subject to the terms and conditions set forth in this Settlement
24 and the approval of the Court.

25 (b) Effective Date: The Effective Date of the Settlement will be the later of the
26 following: (a) if no timely objections are filed or if all objections are withdrawn,
27 the date upon which the Court enters Final Approval; (b) if an objection is filed and
28 not withdrawn, the date for filing an appeal and no such appeal being filed; or (c) if

any timely appeal is filed or other judicial review is taken, the date of the resolution or withdrawal of any such appeal in a way that does not alter the terms of the Settlement.

(c) Gross Settlement Amount: The Gross Settlement Amount is the amount Defendants will be obligated to pay under this Settlement. The Gross Settlement Amount is \$300,000.00, inclusive of: attorneys' fees; costs and expenses directly related to the lawsuit, including all such fees and costs incurred to date; the Settlement Administrator's costs; the settlement payments to the Settlement Class Members; the PAGA Payment to the PAGA Employees and the LWDA; and the representative payment to the Class Representative.

i. Escalator Clause: Defendant estimates that the total workweeks worked by putative Class Members during the Class Period is 15,398. In the event that the number of workweeks in the Class Period is determined to be more than 10% higher than 15,398 (i.e., more than 1,539), the Gross Settlement Amount will increase pro rata based on the number of workweeks over 15,398.

ii. Non-reversionary: No portion of the Gross Settlement Amount will revert to Defendant.

(d) Net Settlement Amount: The Net Settlement Amount is the amount from which Class Members, except those who submit a timely request for exclusion, and PAGA Employees will be paid. The Net Settlement Amount is calculated by deducting from the Gross Settlement Amount, which is \$300,000.00, the following payments, subject to court approval: attorney's fees, which are not to exceed 33 1/3% of the Gross Settlement Amount, or \$100,000.00; costs and expenses directly related to the lawsuit, which are not to exceed \$15,000.00; the Settlement Administrator's costs, which are not to exceed \$15,000.00; the PAGA Payment allocated to the LWDA, which is 75% of the total PAGA Payment of \$30,000.00, or \$22,500.00; and the representative payment to the Class Representative, which

1 is not to exceed \$7,500.00.

2 (e) Attorneys' Fees and Costs and Expenses: Defendant will not oppose Plaintiff's
3 application to the Court for attorneys' fees in an amount of up to 33 1/3% to be
4 paid out of the Gross Settlement Amount, or \$100,000.00. In addition, Defendants
5 will not oppose Plaintiff's application to the Court for costs and expenses directly
6 related to the lawsuit in an amount of up to \$15,000.00 to be paid out of the Gross
7 Settlement Amount. The attorneys' fees and costs are subject to court approval.
8 Should the Court approve a Class Counsel attorneys' fees and costs in an amount
9 less than that set forth above, the difference between the lesser amount(s) approved
10 by the Court and the attorneys' fees and costs amount(s) set forth above shall be
11 added to the Net Settlement Amount

12 (f) Representative Payment: Defendant will not oppose Plaintiff's application to the
13 Court for a representative payment of up to \$7,500.00 to be paid out of the Gross
14 Settlement Amount. The representative payment is subject to court approval.
15 Further, the representative payment is in addition to whatever monetary settlement
16 Plaintiff is entitled to recover from the Net Settlement Amount as a Class Member.
17 Should the Court approve a Representative Payment in an amount less than that set
18 forth above, the difference between the lesser amount(s) approved by the Court and
19 the Service Payment amount(s) set forth above shall be added to the Net Settlement
20 Amount. Plaintiff agrees not to opt out or object to the Representative Payment.
21 IRS Form 1099 will be issued by the Settlement Administrator to Plaintiff for the
22 Representative Payment amount.

23 (g) Settlement Administrator's Costs: Settlement Administrator's Costs are estimated
24 not to exceed \$15,000.00. The Settlement Administrator's Costs are subject to
25 court approval. The costs for work done, not to exceed \$15,000.00, shall be paid
26 regardless of the outcome of the Settlement. In result, if the Settlement does not
27 become final and effective, the cost of the Settlement Administrator will be shared
28 equally by Plaintiff and Defendant. The settlement administrator will be Phoenix

Settlement Administrators, or such Settlement Administrator as may be mutually agreeable to the Parties and approved by the Court.

(h) Settlement Class Payments: Settlement Class Payments, which do not include PAGA Payments, will be paid out of the Net Settlement Amount. Each Settlement Class Member will be paid a pro-rata share of the Net Settlement Amount less \$7,500.00 (or the Court approved amount from the PAGA Payment allocated to PAGA Employees) as calculated by the Settlement Administrator. Settlement Class Payments in the appropriate amounts will be distributed by the Settlement Administrator by mail to the Settlement Class Members. Uncashed, unclaimed, or abandoned checks, shall be transmitted by the Settlement Administrator to the California Controller's Office, as set forth below.

i. Each Class Members' pro-rata share will be determined by comparing the individual Settlement Class Member's Covered Workweeks employed during the Class Period in California to the total Covered Workweeks of all the Settlement Class Members during the Class Period as follows:

$$[\text{Workweeks worked by a Settlement Class Member}] \div [\text{Sum of all Covered Workweeks worked by all Settlement Class Members}] \times [\text{Net Settlement Amount less } \$7,500.00 \text{ (or the Court approved amount from the PAGA Payment allocated to PAGA Employees)}] = \text{individual Settlement Payment for a Settlement Class Member.}$$

(e) PAGA Payments: PAGA Settlement Payments will be paid out of the PAGA Payment Amount, after the LWDA allocation (75 percent of the PAGA Payment) has been deducted from the PAGA Payment. Each PAGA Employee will be paid a pro-rata share of the PAGA Settlement Payment amount of \$7,500.00 (or 25% the Court approved PAGA Payment), as calculated by the Settlement Administrator. Class Members who are PAGA Employees will not be permitted to exclude themselves from this portion of the Settlement. PAGA Settlement Payments to PAGA Employees in the appropriate amounts will be distributed by the Settlement

1 Administrator by mail to the PAGA Employees at the same time Settlement Class
2 Payments issue to the Settlement Class. Uncashed, unclaimed or abandoned
3 checks, shall be transmitted by the Settlement Administrator to the California
4 Controller's Office, as set forth below. The Settlement Administrator will send the
5 PAGA Penalty Payment (\$22,500 or 75% the Court approved PAGA Payment) to
6 the LWDA at the same time the Settlement Administrator sends Settlement
7 Payments to the Settlement Class and PAGA Settlement Payments to the PAGA
8 Employees.

9 i. Each PAGA Employee's pro-rata share will be determined by comparing
10 the individual PAGA Employees' PAGA Workweeks during the PAGA
11 Period to the total PAGA Workweeks of all the PAGA Employees during
12 the PAGA Period as follows: [PAGA Workweeks worked by a PAGA
13 Employee] ÷ [Sum of all PAGA Workweeks worked by all PAGA
14 Employees] × [PAGA Settlement Payment (\$7,500.00 or 25% the Court
15 approved PAGA Payment)] = individual PAGA Employee's portion of the
16 PAGA Settlement Payment.

17 (f) Settlement Payments Do Not Give Rise to Additional Benefits: Settlement
18 Payments, including payments to Settlement Class Members and PAGA
19 Employees, shall be deemed to be paid to Settlement Class Members or PAGA
20 Employees solely in the year in which such payments are actually received by the
21 Settlement Class Members or PAGA Employees. It is expressly understood and
22 agreed that the receipt of Settlement Payments will not entitle any Settlement Class
23 Member or PAGA Employee to additional compensation or benefits under any
24 company bonus, contest, or other compensation, benefit plan, or agreement in place
25 during the period covered by the Settlement up to and including the date the
26 Settlement becomes effective, nor will it entitle any Settlement Class Member or
27 PAGA Employee to any increased retirement, 401(k) benefits or matching
28 benefits, or deferred compensation benefits. It is the intent of all Parties that the

1 Settlement Payments provided for in this Settlement are the sole payments to be
2 made by Defendant to the Settlement Class Members and PAGA Employees, and
3 that the Settlement Class Members and PAGA Employees are not entitled to any
4 new or additional compensation or benefits as a result of having received the
5 Settlement Payments (notwithstanding any contrary language or agreement in any
6 benefit or compensation plan document that might have been in effect during the
7 period covered by this Settlement).

8 (g) Allocation of Settlement Payments: The Settlement Class Payments will be
9 allocated to Class Members as follows: (1) 20% wages and (2) 80% interest. The
10 PAGA Payments will be allocated to PAGA Settlement Employees 100% as
11 penalties. Defendants will be responsible for the Employer's portion of the payroll
12 tax.

13 (h) Funding of Settlement Payments: Defendant shall fund the Gross Settlement
14 Amount in two installments as follows: (a) \$150,000.00 within thirty (30) days of
15 the Effective Date of the Settlement; and (b) \$150,000.00 within nine (9) months of
16 the Effective Date of the Settlement. Payment of the employer share of payroll
17 taxes applicable to the portion of the Net Settlement Amount allocated as wages,
18 shall be paid by Defendant in addition to the Gross Settlement Amount with the
19 second installment.

20 (i) Mailing of Settlement Payments: The Settlement Administrator shall cause the
21 Settlement Payments to be mailed to the Class Members within 14 calendar days of
22 the receipt of Defendant's second installment payment of the Gross Settlement
23 Amount (i.e., full funding).

24 (j) Payroll Taxes and Required Withholdings for Settlement Payments: To the extent
25 that any portion of the Settlement Class Payments constitute wages, Defendant will
26 be separately responsible for any employer payroll taxes required by law, including
27 the employer FICA, FUTA, and SDI contributions. Except for any employer share
28 of payroll taxes, it is understood and agreed that Defendant's maximum total

liability under this Settlement shall not exceed the Gross Settlement Amount. The Settlement Administrator will calculate and submit the Defendant's employer share of payroll taxes after advising Defendant of the total amount owed, in aggregate, as employer-side payroll taxes and receiving a lump sum payment from Defendant in that amount when the Gross Settlement Amount is delivered to the Settlement Administrator. Appropriate federal, state, and local withholding taxes will be taken out of the wage allocations, and each Settlement Class Member will receive an IRS Form W-2 with respect to this portion of the Settlement Class Payment. The Settlement Class Member's share of payroll taxes and other required withholdings will be remitted by the Settlement Administrator to the appropriate taxing authorities as set forth above, along with Defendant's employer portion of FICA and FUTA contributions, based on the payment of claims to the Settlement Class Members. IRS Forms 1099 will be issued by the Settlement Administrator to each Settlement Class Member and/or PAGA Employee reflecting the payments for penalties and interest. Settlement Class Members and PAGA Employees are responsible to pay appropriate taxes due on the Settlement Class Payments and PAGA Settlement Payments they receive. To the extent required by law, IRS Forms 1099 and W-2 will be issued to each Settlement Class Member and PAGA Employee with respect to such payments.

(k) 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

advisers 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 adviser to any other party to avoid any tax penalty that may be imposed on the Acknowledging Party; and (3) no attorney or adviser 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 Agreement.

(l) Right of Class Member to Request Exclusion from the Settlement: Any Class Member may request to be excluded from the Settlement Class. To be excluded, the Class Member must mail a "Request for Exclusion" from the Settlement within the Response Deadline. Any Request for Exclusion must include the name, address, telephone number, last four digits of the Class Member's social security number, and the signature of the Class Member requesting exclusion. Any such request must be made in accordance with the terms of the Notice, and the Notice will advise Class Members of these requirements. Any Class Member who timely requests exclusion in compliance with these requirements (i) shall not have any rights under this Settlement other than a right to receive a pro-rata share of the PAGA Settlement Payment if the Class Member is also a PAGA Employee; (ii) shall not be entitled to receive any Settlement Payment under this Settlement other than as stated herein; and (iii) shall not be bound by this Settlement or the Court's Order and Final Judgment other than as it applies to the PAGA Claim.

(m) Right of Class Member to Object to the Settlement: Any Class Member may object to the Settlement. To object, the Class Member may (1) appear at the Final Approval Hearing, remotely or in person, to explain any objection, (2) have an attorney object on behalf of the Class Member, or (3) submit a simple written brief

1 or statement of objection to the Settlement Administrator. If any Settlement Class
2 Member chooses to submit a written objection, the written objection should contain
3 sufficient information to confirm the identity of the objector and the basis of the
4 objection, including (1) the full name of the Class Member; (2) the signature of the
5 Class Member; and (3) the grounds for the objection; and should be postmarked
6 within the Response Deadline to permit adequate time for processing and review
7 by the Parties of the written statement or objection. Class Counsel shall ensure that
8 any written objections are transmitted to the Court for the Court's review (either by
9 Class Counsel or as an attachment to a declaration from the Settlement
10 Administrator). Regardless of the form, an objection alone will not satisfy the
11 requirement that a Class Member must either make a timely complaint in
12 intervention before final judgment or by filing a motion to set aside and vacate the
13 class judgment under Code of Civil Procedure section 663, to have standing to
14 appeal entry of judgment approving this Settlement, as is required under the
15 California Supreme Court decision in *Hernandez v. Restoration Hardware*, 4 Cal.
16 5th 260 (2018).

17 i. Waiver: A Class Member who does not object prior to or at the Final
18 Approval Hearing, will be deemed to have waived any objections and will
19 be foreclosed from making any objections (whether at the Final Approval
20 Hearing, by appeal, or otherwise) to the Settlement. If the objecting
21 Settlement Class Member does not formally intervene in the action or
22 move to set aside any judgment and/or the Court rejects the Class
23 Member's objection, the Class Member will still be bound by the terms of
24 this Agreement and the Settlement. Class Counsel and Defendant's
25 Counsel may, at least five (5) calendar days (or some other number of days
26 as the Court shall specify) before the final approval hearing, file responses
27 to any written objections submitted to the Court.

28 (n) Notice of Settlement: A Notice of Settlement ("Notice") shall be mailed to the

1 California Labor and Workforce Development Agency at or before the time
2 Plaintiff files the motion for preliminary approval. A Notice shall also be mailed to
3 each Class Member following preliminary approval of this Settlement by the
4 Court, as set forth in this Agreement. The Notice shall set forth the material terms
5 of this Settlement, along with instructions about how to object or request exclusion
6 from this Settlement. There will be pre-printed information on the mailed Notice,
7 based on Defendant's records, which states the recipient Class Member's Covered
8 Workweeks during the Class Period, PAGA Workweeks during the PAGA Period,
9 and the Class Members' estimated total Settlement Payment under the Settlement,
10 including the Settlement Class Payment and the PAGA Settlement Payment. The
11 Notice will be issued in English and Spanish, though the English version will
12 control if there is any ambiguity between the English and Spanish versions.

13 (o) Workweek Dispute Process: The pre-printed information based on Defendant's
14 records shall be presumed to be correct. However, a Class Member may dispute the
15 pre-printed information on the Notice as to his or her Covered Workweeks during
16 the Class Period or PAGA Workweeks during the PAGA Period. Class Members
17 must submit any dispute regarding the information on the Notice as to his or her
18 Covered Workweeks or PAGA Workweeks within the Response Deadline. Unless
19 a disputing Class Member submits documentary evidence in support of his or her
20 dispute, the records of the Defendant will be determinative.

21 (p) Workweek Dispute Resolution: If a Class Member disputes the accuracy of
22 Defendant's records used to calculate Covered Workweeks or PAGA Workweeks,
23 and the Parties' counsel cannot resolve the dispute informally, the matter will be
24 referred to the Settlement Administrator. The Settlement Administrator will review
25 Defendant's records and any information or documents submitted by the Class
26 Member and issue a non-appealable decision regarding the dispute. The Class
27 Member must submit information or documents supporting his or her position to
28 the Settlement Administrator prior to the expiration of the Response Deadline.

Information or documents submitted after the expiration of the Response Deadline will not be considered by the Settlement Administrator, unless otherwise agreed to by the Parties.

THE SETTLEMENT ADMINISTRATOR'S PRIMARY DUTIES

32. The Parties have agreed to the appointment of Phoenix Settlement Administrators to perform the customary duties of Settlement Administrator. This appointment is subject to the Court's approval and to reconsideration by the Parties after a competitive bidding process.

33. The Settlement Administrator will mail the Notice, both in English and Spanish, to the Class Members.

34. The Settlement Administrator will independently review the Covered Workweeks and PAGA Workweeks attributed to each Class Member and PAGA Employee and will calculate the estimated amounts due to each Class Member and the actual amounts due to each Settlement Class Member and PAGA Employee in accordance with this Settlement. The Settlement Administrator will then report, in summary or narrative form, the substance of its findings. The Settlement Administrator shall be granted reasonable access to Defendant's records in order to perform its duties.

35. In accordance with the terms of this Settlement, and within fourteen (14) calendar days of receipt of the second installment payment of the Gross Settlement Amount from Defendant, the Settlement Administrator will issue and send out the Settlement Payment checks to the Settlement Class Members and the PAGA Settlement Payments to the PAGA Employees. Tax treatment of the Class Settlement Payments and PAGA Settlement Payments will be as set forth herein, and in accordance with state and federal tax laws. In addition, within fourteen (14) calendar days of receipt of the second installment payment of the Gross Settlement Amount from Defendant, the Settlement Administrator shall cause to be paid the court approved amount for the Settlement Administrator's costs, Class Counsel attorneys' fees and costs, the representative payment to the Class Representative, and the PAGA Payment portion allocated to the LWDA. All disputes relating to the Settlement Administrator's performance of its duties shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Settlement until all payments and obligations contemplated by this Settlement have been fully carried out.

36. The Settlement Administrator will post the final judgment approving the Settlement on a website maintained by the Settlement Administrator for a period of not less than ninety (90) calendar days after the final judgment is entered. The address of that website will be included in the Notice.

ATTORNEY'S FEES AND COSTS

37. In consideration for resolving this matter and in exchange for the release of all claims by the Settlement Class Members, including Plaintiff, and subject to approval by the Court, Defendant will not object to Class Counsel's application for attorney's fees not to exceed 33 1/3% of the Gross Settlement Amount, or \$100,000.00, and litigation costs not to exceed \$15,000.00. The amounts set forth above will cover all work performed and all fees and costs incurred to date, and all work to be performed and all fees and costs to be incurred in connection with the approval by the Court of this Settlement and administration of the Settlement. Should Class Counsel request a lesser amount and/or the Court approve a lesser amount(s) of attorneys' fees and/or attorneys' costs, the difference between the lesser amount(s) and the maximum amount set forth above shall be added to the Net Settlement Amount.

38. The Parties agree that there is no prevailing party, and the Class and Class Counsel shall not be entitled to any fees or costs other than those awarded out of and deducted from the Gross Settlement Amount.

39. As with the Class Settlement Payments to the Settlement Class, the attorneys' fees and costs approved by the Court shall be distributed by the Settlement Administrator to Class Counsel within fourteen (14) calendar days of the receipt of Defendant's second installment payment of the Gross Settlement Amount by the Settlement Administrator.

40. In the event that the Court awards less than 25% of the Gross Settlement Amount for attorneys' fees, Class Counsel shall retain the right to appeal that portion of any Final Approval Order and Judgment.

THE NOTICE PROCESS

41. A Notice in approximately the form attached hereto as "Exhibit A," and as approved by the Court, shall be sent by the Settlement Administrator to the Class Members by first class mail. The Notice shall be translated into Spanish, so that Spanish and English language versions of the Notice are included in the mailing.

- 1 (a) Within fourteen (14) calendar days from the date of preliminary approval of this
2 Settlement by the Court, Defendant shall provide to the Settlement Administrator a
3 class database containing the following information for each Class Member: (1)
4 name; (2) last known address; (3) social security number; and (4) dates of
5 employment at Defendant's locations in California. This database shall be based on
6 Defendant's payroll and other business records and shall be provided in a
7 reasonable format to the Settlement Administrator. Defendant agrees to consult
8 with the Settlement Administrator prior to the production date to ensure that the
9 format will be acceptable to the Settlement Administrator. The Settlement
10 Administrator will run a check of the Class Members' addresses against those on
11 file with the U.S. Postal Service's National Change of Address List; this check will
12 be performed only once per Class Member by the Settlement Administrator.
13 Absent mutual written agreement of counsel for the Parties or Court order, the
14 Settlement Administrator will keep this database confidential and secure and use it
15 only for the purposes described herein and will return this database to Defendant
16 upon final approval of the settlement or destroy electronic records containing the
17 database after the Settlement is final and all payments are distributed as required
18 under this Agreement.
- 19 (b) Within fourteen (14) calendar days after the Class database is provided to the
20 Settlement Administrator, the Settlement Administrator will mail the Notices to the
21 Class Members by First Class United States mail.
- 22 (c) Notices returned to the Settlement Administrator as non-deliverable on or before
23 the initial Response Deadline shall be resent to the forwarding address, if any, on
24 the returned envelope. A returned Notice will be forwarded by the Settlement
25 Administrator any time that a forwarding address is provided with the returned
26 mail. If there is no forwarding address, the Settlement Administrator will do a
27 computer search for a new address using the Class Member's social security
28 number or other information. In any instance where a Notice is re-mailed, that

1 Class Member will have until the extended Response Deadline as described above
2 to submit objections or request exclusion. A letter prepared by the Settlement
3 Administrator will be included in the re-mailed Notice in that instance, stating the
4 extended Response Deadline. Upon completion of these steps by the Settlement
5 Administrator, Defendant and the Settlement Administrator shall be deemed to
6 have satisfied their obligations to provide the Notice to the affected Class Member.
7 The affected Class Member shall remain a member of the Settlement Class and
8 shall be bound by all the terms of the Settlement and the Court's Final Order and
9 Judgment.

10 (d) No later than seven (7) calendar days from the Response Deadline, the Settlement
11 Administrator shall provide counsel for the Parties with a declaration attesting to
12 the completion of the notice process, including the number of attempts to obtain
13 valid mailing addresses for and re-sending of any returned Class Notices, as well as
14 the identities, number of, and copies of all Requests for Exclusion and
15 objections/comments received by the Settlement Administrator.

16 (e) Class Counsel shall provide to the Court, at least five (5) calendar days prior to the
17 final approval hearing, or such other date as set by the Court, a declaration by the
18 Settlement Administrator of due diligence and confirming mailing of the Notices.

19 **DISPOSITION OF SETTLEMENT PAYMENTS AND UNCASHED CHECKS**

20 42. Class Members will not be required to submit a claim to receive their Settlement Payment.

21 43. As set forth above, each Settlement Class Member will have until the expiration of the
22 applicable Response Deadline to submit any challenge or dispute to the Settlement Class Member's
23 Covered Workweek information on the Notice to the Settlement Administrator. No disputes will be
24 honored if they are submitted after the Response Deadline unless the Parties mutually agree to accept the
25 untimely dispute. Each Settlement Class Member is responsible to maintain a copy of any documents sent
26 to the Settlement Administrator and a record of proof of mailing.

27 44. The Settlement Administrator shall cause the Settlement Payments to be mailed to the
28 Settlement Class Members and PAGA Employees as provided herein. Settlement Class Payments and

PAGA Settlement Payments may be combined into one check. Settlement Payment checks shall remain valid and negotiable for 180 calendar days from the date of their issuance. Settlement Payment checks will automatically be cancelled by the Settlement Administrator if they are not cashed by the Settlement Class Member within that time, and the Settlement Class Member's relevant claims will remain released by the Settlement. Settlement Payment checks which have expired will not be reissued.

45. Funds from uncashed or abandoned Settlement Class Payment checks or PAGA Settlement Checks, based on a 180-day void date, shall be transmitted by the Settlement Administrator to the California State Controller's Office for Unclaimed Property in the name of each Settlement Class Member and/or PAGA Employee who failed to cash their Settlement Payment check prior to the void date.

46. Upon completion of its calculation of Settlement Class Payments and PAGA Settlement Payments, the Settlement Administrator shall provide Class Counsel and Defendant's Counsel with a report listing the amounts of all payments to be made to Class Members (to be identified anonymously by employee number or other identifier). A Declaration attesting to completion of all payment obligations will be provided to Class Counsel and Defendant's Counsel and filed with the Court by Class Counsel.

RELEASE BY CLASS AND PAGA EMPLOYEES AND PLAINTIFF

47. Release by Class and PAGA Employees. Upon final approval by the Court of this Settlement and Defendant's payment of all sums due pursuant to this Settlement, and except as to such rights or claims as may be created by this Settlement, the Class Representative, the Class, and each Class Member who has not submitted a valid and timely request for exclusion as to claims other than the PAGA claim, and each PAGA Employee, regardless of whether they have requested exclusion from the Settlement of Class claims, will release claims as follows:

(a) **Identity of Released Parties.** The released parties are Defendant, and each of its/their past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, DBAs, divisions, predecessors, successors, assigns, and joint venturers (collectively "Released Parties" or "Releasees").

(b) **Date Release Becomes Active.** The Released Class and PAGA Claims will be

released upon the later of (1) the Settlement's Effective Date, or (2) the satisfaction of Defendant's obligation to provide to the Settlement Administrator a sum in the amount required to satisfy all required payments and distributions pursuant to this Settlement and the Order and Judgment of final approval. Class Members will not release the Released Claims or Released PAGA Claims until both the Effective Date of the Settlement has occurred, **and** Defendant has paid all amounts owing under the Settlement.

(c) **Claims Released by Settlement Class Members.** The Class, including each and every Class Member, on behalf of himself or herself, and his or her heirs and assigns, unless he or she has submitted a timely and valid Request for Exclusion (which will not effectuate an opt-out from the release of Released PAGA Claims), hereby release Releasees from the following claims for the entire Class Period:

- 1) any and all claims, rights, demands, liabilities, penalties, costs, expenses, attorneys' fees, damages, and causes of action that are alleged, or reasonably could have been alleged based on the facts and claims asserted in the operative complaint in this action, including the following claims: failure to pay minimum and straight time wages, failure to pay overtime compensation, failure to provide compliant meal periods, failure to authorize and permit compliant rest periods, failure to indemnify necessary business expenses, failure to timely pay final wages upon separation from employment, failure to provide and maintain accurate itemized wage statements, Unfair Practices under the Unfair Competition Act ("UCL"), during the Class Period, including violation of the following sections of the California Labor Code sections 201, 202, 203, 204, 218.5 218.6, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1194, 1194.2, 1197, 1198, 2802, derivative claims under California Business & Professions Code § 17200, violation of the California Code of Regulations, Title 8 section 11040, violation of the California Industrial Wage Orders, and violation of

California's unfair business practices and unfair competition laws, as well as any potential penalties, interest, or attorneys' fees associated with these causes of action under California or federal law ("Released Claims"). As to any participating Settlement Class Member who cashes and/or negotiates the check representing their individual Settlement Payment, the signing and negotiation of that check shall serve as the Settlement Class Member's consent to join the action for purposes of releasing the Released Claims arising under the Fair Labor Standards Act ("FLSA").

(d) **Claims Released by the Class, Including PAGA Employees.** The PAGA Settlement Employees, including Plaintiff, regardless of whether they have requested exclusion from the Settlement as to Class claims, hereby release Releasees from the following claims for the entire PAGA Period:

- 1) any and all claims, causes of action, damages, expenses, benefits, interest, penalties, attorneys' fees, costs, and any other form of relief or remedy in law, equity, or whatever kind or nature that were asserted or could have been asserted with respect to the Private Attorneys General Act ("PAGA") claims asserted in the Action and in Plaintiff's LWDA Notice(s) submitted to the LWDA in this Action on June 4, 2020. ("Released PAGA Claims").

48. Release by Plaintiff. Upon the final approval by the Court of this Settlement and Defendant's payment of all sums due pursuant to this Settlement, and except as to such rights or claims as may be created by this Settlement, the Plaintiff will release claims as follows:

- (a) Plaintiff hereby fully and finally releases and discharges the Releasees (defined in Section 47(a), above) from any and all of the released claims (defined in Section 47(d) and (e), above) and from any and all other claims, charges, complaints, liens, demands, agreements, contracts, covenants, actions, suits, causes of action, penalties, wages, obligations, debts, expenses, damages, attorneys' fees, costs, judgments, orders, and liabilities of whatever kind or nature in law, equity, or otherwise, known or unknown, suspected or unsuspected, that the Plaintiff and

1 Class Representative had, now has, or may hereafter claim to have against the
2 Released Parties arising out of, or relating in any way to, the Plaintiff and Class
3 Representative's hiring by, employment with, separation of employment with, or
4 any other transactions, occurrences, acts or omissions or any loss, damage or injury
5 whatsoever, known or unknown, suspected or unsuspected, resulting from any act
6 or omission by or on the part of any Released Party (the "Class Representative's
7 Released Claims"), arising or accruing from the beginning of time up through the
8 Final Approval Date Order Date ("Class Representatives' Released Period"). The
9 Class Representatives' Released Claims include, but are not limited to, claims
10 arising from or dependent on the California Labor Code; the Wage Orders of the
11 California Industrial Welfare Commission; California Business and Professions
12 Code §§ 17200, *et seq.*; the California Fair Employment and Housing Act, Cal.
13 Gov't Code §§ 12900, *et seq.*; the California Healthy Workplaces, Healthy
14 Families Act, Cal. Labor Code §§ 245, *et seq.*, the California common law of
15 contract and tort; Title VII of the Civil Rights Act of 1964; the Americans with
16 Disabilities Act, 42 U.S.C. §§ 12101, *et seq.*; the Employee Retirement Income
17 Security Act of 1974, 29 U.S.C. §§ 1001, *et seq.*; the Fair Labor Standards Act, 29
18 U.S.C. §§ 201, *et seq.*, the Portal to Portal Act, 29 U.S.C. §§ 251, *et seq.*, and the
19 Families First Coronavirus Response Act.

20 (b) Plaintiff also acknowledges that he has read Section 1542 of the Civil Code of the
21 State of California, which provides as follows:

22 **A general release does not extend to claims which the creditor or**
23 **releasing party does not know or suspect to exist in his or her favor at**
24 **the time of executing the release and that, which if known by him or**
25 **her, would have materially affected his or her settlement with the**
26 **debtor or released party.**

27 Plaintiff further warrants that he understands Section 1542 gives him the right not
28 to release existing claims of which he is not now aware unless he voluntarily
waives this right. Having been so apprised, Plaintiff voluntarily waives this right

and elects to assume all risks, thereby releasing the claims set forth in Section 48(a), above, that now exist in his favor, whether known or unknown.

EMPLOYMENT BY DEFENDANT

49. The employment of Plaintiff by Defendant is not consideration for, or a condition of, this Settlement.

DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

50. The Parties shall submit this Joint Stipulation of Class Action Settlement to the Court in support of Plaintiff's unopposed motion for preliminary approval for determination by the Court as to its fairness, adequacy, and reasonableness. Plaintiff shall dismiss Defendant Yamato Encino Corporation from the Action. Upon execution of this Joint Stipulation of Class Action and PAGA Settlement, the Parties shall apply to the Court for the entry of an order:

- (a) Scheduling a final approval and fairness hearing on the question of whether the proposed Settlement, including payment of attorney's fees and costs, and the Class Representatives' service payment, should be finally approved as fair, reasonable, and adequate as to the members of the Class;
- (b) Conditionally certifying a Class for settlement purposes only;
- (c) Approving as to form and content the proposed Notice;
- (d) Directing the mailing of the Notice by the Settlement Administrator;
- (e) Preliminarily approving the Settlement subject only to the objections of Class Members and final review by the Court;
- (f) Conditionally appointing Plaintiff and Class Counsel as representatives of the proposed Class Members; and,
- (g) Appointing Phoenix Settlement Administrators as the Settlement Administrator.

DUTIES OF THE PARTIES FOLLOWING FINAL COURT APPROVAL

51. In conjunction with the hearing of a motion for final approval by the Court of the Settlement provided for in this Joint Stipulation of Settlement, Class Counsel will provide to Defendant's Counsel for review and approval and then submit to the Court a proposed final order and judgment containing provisions sufficient to accomplish the following:

- (a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable, and adequate, and directing consummation of its terms and provisions;
- (b) Approving Class Counsel's application for an award of attorney's fees and costs;
- (c) Approving the Service Payment to the Class Representatives;
- (d) Adjudging the Settlement Administrator has fulfilled its initial notice and reporting duties under the Settlement;
- (e) Adjudging Plaintiff and Class Counsel may represent the Final Settlement Class for the purpose of entering into and implementing the Agreement;
- (f) Entering a final judgment in the action;
- (g) Adjudging that, notwithstanding the submission of a timely request for exclusion, Class Members are still bound by the Settlement and release of the Released PAGA Claims or remedies under the Judgment pursuant to *Arias v. Superior Court*, 46 Cal. 4th 969 (2009), as requests to be excluded from the Settlement do not apply to the Released PAGA Claims, and further affirming that the State's claims for civil penalties pursuant to PAGA are also extinguished;
- (h) Directing the posting of the final judgment on a website maintained by the Settlement Administrator for a period of not less than ninety (90) calendar days after entry of final judgment.

Any revised final judgments will also be provided to Defendant's Counsel for review and approval before they are submitted to the Court.

NULLIFICATION AND TERMINATION

52. This Settlement will be null and void if any of the following occur: (a) the Court should for any reason fail to certify the Class for settlement purposes; (b) the Court should for any reason fail to preliminarily or finally approve this Settlement in the form agreed to by the Parties, other than adjustments made to the attorneys' fees and costs or granting of the Service Payment; (c) the Court should for any reason fail to enter the final judgment; (d) the final judgment is reversed, modified, or declared or rendered void; or (e) the Settlement does not become final for any other reason.

53. If more than 5% of the Class chooses to opt out of this Settlement, Defendant shall have

1 the right to declare this Settlement null and void. The Settlement Administrator shall provide Defendant's
2 Counsel with the information necessary to effectuate this provision on a regular basis, but no less
3 frequently than on a monthly basis. To terminate this Settlement under this paragraph, Defendant's
4 Counsel must give Plaintiff's Counsel written notice, by facsimile, e-mail, or mail, no later than thirty (30)
5 calendar days after the Response Deadline. If this option is exercised by Defendant, Defendant shall be
6 solely responsible for the costs incurred by the Settlement Administrator for the settlement administration.

7 54. In the event this Settlement is nullified or terminated as provided above: (i) this Settlement
8 shall be considered null and void, (ii) neither this Settlement nor any of the related negotiations or
9 proceedings shall have any force or effect and no Party shall be bound by any of its terms, and (iii) all
10 Parties to this Settlement shall stand in the same position, without prejudice, as if the Settlement had been
11 neither entered into nor filed with the Court. Moreover, in the event the Court does not approve this
12 Settlement, Defendant will not be deemed to have waived, limited, or affected in any way any of its
13 objections, or defenses in this Action.

14 **PARTIES' AUTHORITY**

15 55. The signatories hereto hereby represent that they are fully authorized to enter into this
16 Settlement and bind the Parties hereto to the terms and conditions thereof.

17 **MUTUAL FULL COOPERATION**

18 56. The Parties agree to fully cooperate with each other to accomplish the terms of this
19 Settlement including, but not limited to, execution of such documents and taking such other action as
20 reasonably may be necessary to implement the terms of this Settlement.

21 57. The Parties shall use their best efforts, including all efforts contemplated by this Settlement
22 and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this
23 Settlement and the terms set forth herein. As soon as practicable, after execution of this Settlement, Class
24 Counsel shall, with the assistance and cooperation of Defendant and Defendant's Counsel, take all
25 necessary steps to secure the Court's preliminary and final approval of this Settlement.

26 **NO PRIOR ASSIGNMENTS**

27 58. The Parties and their respective counsel represent, covenant, and warrant that they have not
28 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to

any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein, and that they are not on notice of any liens as to the Gross Settlement Amount or any right to attorneys' fees or costs.

NO ADMISSION OF LIABILITY

59. Nothing contained herein, nor the consummation of this Settlement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant. Defendant denies all the claims and contentions alleged by the Plaintiff in this case. Defendant has entered into this Settlement solely with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses.

ENFORCEMENT ACTIONS

60. In the event one or more of the Parties to this Settlement institutes any legal action or other proceeding against any other party or parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties shall 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.

NOTICES

61. Unless otherwise specifically provided herein, all notices, demands, or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

Class Counsel:

Kane Moon
Allen Feghali
Edwin Kamarzarian
MOON & YANG, APC
1055 West Seventh Street, Suite 1880
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125

Counsel for Defendant:

Alfred J. Landegger
Marie D. Davis
Evelyn E. Zarraga
LANDEGGER VERANO & DAVIS, ALC
15760 Ventura Boulevard, Suite 1200
Encino, California 91436
Telephone: (818) 986-7561
Facsimile: (818) 986-5147

CONSTRUCTION

62. The Parties hereto agree that the terms and conditions of this Settlement are the result of

lengthy, intensive, arms-length negotiations between the Parties, including, but not limited to, an all-day mediation with Jeff Krivis, Esq., and this Settlement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his, her or its counsel participated in the drafting of this Settlement.

CAPTIONS AND INTERPRETATIONS

63. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement or any provision hereof. Each term of this Settlement is contractual and not merely a recital.

MODIFICATION

64. This Settlement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

INTEGRATION CLAUSE

65. This Settlement contains the entire agreement between the Parties relating to the Settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

CLASS CERTIFICATION

66. The Parties agree that the motion for preliminary approval seeking certification of the Class and Class Claims are for purposes of the Settlement only, and if, for any reason, the Settlement is not approved, the certification will have no force or effect and will be immediately revoked. The Parties further agree that class certification, for purposes of the Settlement, is in no way an admission that class certification is proper under the more stringent standards applied for litigation purposes and that this Settlement will not be admissible in this or any proceeding as evidence that (i) any class should be certified as Plaintiff proposed or (ii) Defendants are liable to Plaintiff or the Class as Plaintiff alleged.

BINDING ON ASSIGNS

67. This Settlement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

WAIVER OF APPEALS

68. The Parties agree to waive appeals with the exception that Class Counsel retains the right to appeal the amount awarded as attorneys' fees in the event that the Court awards less than twenty-five (25) percent of the Gross Settlement Amount as attorneys' fees.

CONFIDENTIALITY

69. The Parties and their counsel agree to keep the terms of this Settlement confidential until the filing of Plaintiff's motion for preliminary approval. The Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about this case and/or the fact, amount, or terms of the Settlement.

CLASS COUNSEL SIGNATORIES

70. It is agreed that because the members of the Class are so numerous, it is impossible or impractical to have each member of the Class execute this Settlement. The Notice will advise all Class Members of the binding nature of the Released Claims and Released PAGA Claims, and the release shall have the same force and effect as if this Settlement were executed by each member of the Class.

COUNTERPARTS

71. This Settlement may be executed in counterparts and by electronic or facsimile signatures, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Settlement, which shall be binding upon and effective as to all Parties.

FINAL JUDGMENT

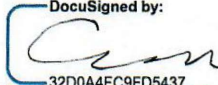
72. The Parties agree that, upon final approval of this Settlement, final judgment of this Action will be made and entered in its entirety at or following the Final Approval Hearing. The final judgment may be included in the Order granting Final Approval of the Settlement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action Settlement between Plaintiff and Defendant as set forth below:

IT IS SO STIPULATED.

1 **Plaintiff & Class Representative: ERIC GALVEZ**

2 Dated: 1/27/2022

By: 
Eric Galvez

DocuSigned by:

32D0A4EC9ED5437

3
4
5 **Plaintiff's Counsel: MOON & YANG, APC**

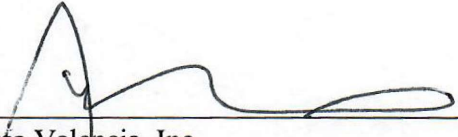
6 Dated: January 27, 2022

By: 
Kane Moon
Allen Feghali
Edwin Kamarzarian

Attorneys for Plaintiff ERIC GALVEZ

7
8
9
10 **Defendant: YAMATO VALENCIA, INC.**

11 Dated: February 7, 2022

By: 
Yamato Valencia, Inc.
Title *General Manager*

12
13
14 **Defendant's Counsel: LANDEGGER VERANO & DAVIS, ALC**

15 Dated: February 7, 2022

By: 
Marie D. Davis
Evelyn E. Zarraga

Attorneys for Defendant YAMATO VALENCIA, INC.

EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Galvez v. Yamato Valencia, Inc.
Los Angeles Superior Court Case No. 20STCV22760

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

IF YOU ARE OR WERE EMPLOYED BY YAMATO VALENCIA, INC. (“DEFENDANT”) IN CALIFORNIA AS AN HOURLY-PAID EMPLOYEE AT ANY TIME BETWEEN JUNE 12, 2016, THROUGH DECEMBER 31, 2021, THIS PROPOSED CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.

Why should you read this Notice?

A proposed settlement (the “Settlement”) has been reached in a class action lawsuit entitled *Galvez v. Yamato Valencia, Inc.*, Los Angeles Superior Court Case No. 20STCV22760 (the “Action”). The purpose of this Notice of Proposed Class Action Settlement (“Notice”) is to briefly describe the Action and inform you of your rights and options in connection with the Action and the Settlement. The Settlement will resolve all claims in the Action.

A hearing concerning final approval of the Settlement will be held before the Honorable Daniel J. Buckley on <<**FA Date and Time**>> in Department 1 of the Los Angeles Superior Court, Spring Street Courthouse, 312 North Spring Street, Los Angeles, CA 90012, to determine whether the Settlement is fair, adequate, and reasonable. As a Class Member, you are eligible to receive an individual Settlement Payment under the Settlement and will be bound by the release of claims described in this Notice and the Settlement Agreement filed with the Court, unless you timely request to be excluded from the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING – GET MONEY	If you do nothing, you will be considered part of the Class and will receive settlement benefits as explained more fully below. You will also give up rights to pursue a separate legal action against Defendant for the Released Claims asserted in the Action, as explained more fully below.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS DEADLINE TO EXCLUDE YOURSELF: << RESPONSE DATE >>	If you exclude yourself from the Settlement, you will not receive any benefits under the Settlement. Instead, you will have the option to pursue a separate legal action against Defendant about the claims in the Action. If you choose to exclude yourself from the Settlement, you must do so in writing by submitting a written Request to be Excluded. However, if the Court grants final approval of the Settlement and you are PAGA Employee (as defined below), whether you submit a Request for Exclusion you will still receive your share of the portion of the settlement allocated as PAGA penalties and will be bound by the PAGA release provisions of the Settlement, as described in this Notice.
OBJECT TO THE SETTLEMENT DEADLINE TO SUBMIT WRITTEN OBJECTIONS: << RESPONSE DATE >>	To object to the Settlement, you may mail a written explanation of why you do not like the Settlement to the Settlement Administrator, appear at the final approval hearing, or hire an attorney at your expense to object for you. This option is available only if you do <u>not</u> exclude yourself from the Settlement. Do <u>not</u> submit a Request to be Excluded if you wish to object. <i>Written</i> objections must be submitted by << RESPONSE DATE >>.
DISPUTE YOUR NUMBER OF WORKWEEKS DEADLINE TO SUBMIT DISPUTE: << RESPONSE DATE >>	If you believe that your number of Covered Workweeks listed below is incorrect, you may contact the Settlement Administrator in writing and provide evidence to dispute your Workweeks calculation.

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following class (“Class”):

All non-exempt employees of Defendant who worked for Defendant in California during the Class Period (the “Class Period” is June 12, 2016 through December 31, 2021).

According to Defendant’s records, you are a member of the Class (“Class Member”).

What is this case about?

In the Action, Plaintiff Eric Galvez (“Plaintiff”) alleges on behalf of himself and the Class that Defendant: (1) failed to pay minimum and straight time wages; (2) failed to pay overtime compensation; (3) failed to provide meal periods; (4) failed to authorize and permit rest breaks; (5) failed to indemnify necessary business expenses; (6) failed to timely pay all wages at the time of termination; (7) failed to provide accurate itemized wage statements; (8) violated California’s Unfair Competition Law, California Business and Professions Code sections 17200, *et seq.*; and (9) violated provisions of the California Labor Code, giving rise to civil penalty liability under the Labor Code Private Attorneys General Act of 2004 [Cal. Lab. Code sections 2699, *et seq.*]. Plaintiff seeks unpaid wages, actual damages, declaratory relief, statutory penalties, civil penalties under the PAGA, restitution, interest, and attorneys’ fees and costs.

Defendant denies all liability and is confident that it has strong legal and factual defenses to these claims, but it recognizes the risks, distractions, and costs associated with litigation. Defendant contends that its conduct is and has been lawful at all times relevant and that Plaintiff’s claims do not have merit and do not meet the requirements for class certification.

This Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiff and Defendant (the “Parties”), through their attorneys, and is not an admission of liability on the part of Defendant. Both sides agree that this Settlement is fair, adequate, and reasonable. Plaintiff also believes this Settlement is in the best interests of all Class Members.

The Court has not ruled on the merits of Plaintiff’s claims or Defendant’s defenses.

Who are the attorneys representing the Parties?

The attorneys representing the Parties in the Action are:

Class Counsel

Kane Moon
Allen Feghali
Edwin Kamarzarian
MOON & YANG, APC
1055 West Seventh Street, Suite 1880
Los Angeles, California 90017
Telephone: (213) 232-3128
Facsimile: (213) 232-3125

Defendant’s Counsel

Alfred J. Landegger
Marie D. Davis
Evelyn E. Zarraga
LANDEGGER VERANO & DAVIS, A Law Corporation
15760 Ventura Boulevard, Suite 1200
Encino, California 91436
Telephone: (818) 986-7561
Facsimile: (818) 986-5147

What are the Settlement terms?

Subject to final Court approval, Defendant will pay \$300,000.00 (the “Gross Settlement Amount”) for: (a) individual Settlement Payments to Settlement Class Members; (b) the Court-approved Class Representative Service Payment to Plaintiff (\$7,500.00 to be requested); (c) the Court-approved attorneys’ fees and costs to Class Counsel (up to \$100,000.00 in fees and up to \$15,000 in costs to be requested); (d) payment to the Labor and Workforce Development Agency (“LWDA”) for alleged PAGA penalties (\$22,500.00 of a total of \$30,000.00 allocated to PAGA penalties); (e) individual Settlement Payments to PAGA Employees for alleged PAGA penalties (\$7,500.00 of a total of \$30,000.00 allocated to PAGA penalties); and (f) proposed payment to the Settlement Administrator for settlement administration services (up to an estimated maximum of \$15,000.00).

Individual Settlement Payments. After deduction from the Gross Settlement Amount for attorneys’ fees and costs, the Class Representative Service Payment to Plaintiff, the payment to the LWDA, and settlement administration costs, there will be a Net Settlement Amount. From this Net Settlement Amount, Defendant will make an individual Settlement Payment to each Class Member who does not request to be excluded from the

Settlement (“Settlement Class Members”). In addition, each Class Member who worked at any time during the PAGA Period (as defined below), regardless of whether they have requested exclusion from the Settlement of Class claims, shall receive a portion of the \$7,500 from the Net Settlement Amount allocated as PAGA penalties.

For purposes of the Settlement, the “PAGA Period” means the period from June 4, 2019, to December 31, 2021, and “PAGA Employees” or “PAGA Settlement Employees” means all hourly, non-exempt employees who worked for Defendant in California who worked during the PAGA Period.

The Net Settlement Amount minus the \$7,500 allocated as PAGA penalties to PAGA Settlement Employees, shall be divided among all Settlement Class Members on a pro-rata basis, based upon the total number of workweeks worked by each respective Settlement Class Member as a non-exempt hourly employee in the State of California during the Class Period. The \$7,500 from the Net Settlement Amount allocated as PAGA penalties to PAGA Settlement Employees shall be divided among all PAGA Employees on a pro-rata basis based upon the total number of workweeks worked by each respective PAGA Employee as a non-exempt hourly employee in the State of California during the PAGA Period. Your estimated individual Settlement Payment is listed below.

Your estimated minimum settlement payment is << **Estimated Payment** >> and your Covered Workweeks worked during the relevant period between June 12, 2016, to December 31, 2021, are << **Work Weeks** >>. To the extent you dispute the number of Work Weeks, you must make your dispute (“Work Week Dispute”) in writing and send it to the Settlement Administrator via fax or mail. Your Work Week Dispute must be postmarked or faxed no later than << **+60 days from date of mailing** >> (the “Response Deadline”) to:

Phoenix Settlement Administrators, << **mailing address** >>

Your Work Week Dispute must be in writing and contain: (a) your full name, signature, address, telephone number, and the last four digits of your Social Security number; (b) the number of Work Weeks you contend is correct; and (c) any evidence supporting your contention. Defendant’s records will be presumed correct unless you prove otherwise by credible evidence. The Settlement Administrator will resolve and decide all Work Week Disputes, and its decisions will be final and non-appealable. **REMINDER:** If you believe your estimated individual Settlement Amount is incorrect because your Work Weeks (the number of total weeks you worked within the Class Period only) are wrong, the deadline to dispute the workweeks reported for you is << **RESPONSE DATE** >>. DOCUMENTATION SENT TO THE SETTLEMENT ADMINSTRATOR WILL NOT BE RETURNED OR PRESERVED; DO NOT SEND ORIGINALS.

For tax reporting purposes, the payments to Settlement Class Members will be allocated 20% as wages and 80% as interest, excluding the amounts characterized as PAGA penalties to PAGA Settlement Employees, which will be allocated 100% as penalties. The wage portion of the individual Settlement Payments shall be subject to the withholding of applicable local, state, and federal taxes, and the Settlement Administrator shall deduct applicable employee-side payroll taxes from the wage portion of the individual Settlement Payments. The portion of the Settlement Payments allocated to penalties and interest shall be classified as other miscellaneous income and reported on IRS Form 1099-MISC. Any taxes owed on that other miscellaneous income will be the responsibility of Settlement Class Members receiving those payments. Defendant will separately pay the employer’s share of any payroll taxes.

All checks for individual Settlement Payments paid to Settlement Class Members and PAGA Settlement Employees shall advise that the checks will remain valid and negotiable for one hundred eighty (180) days from the date of the checks’ issuance and shall thereafter automatically be void if not cashed by a participating Class Member within that time. Any individual Settlement Payment that is not cashed by a Settlement Class Member or PAGA Settlement Employee within one hundred eighty (180) days of issuance shall be transmitted to the California State Controller’s Office for Unclaimed Property in the name of each check recipient who failed to cash their check prior to the void date. The Settlement Administrator shall void any tax documents issued to Settlement Class Members or PAGA Settlement Employee who did not cash their checks within one hundred eighty (180) days of issuance. In such event, the Settlement Class Member shall nevertheless remain bound by the Settlement.

None of the Parties or attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Settlement Class Members and PAGA Employees should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

Class Counsel Attorneys' Fees and Costs, Class Representative Service Award, Settlement Administration Costs and Payment to the LWDA. Class Counsel will ask the Court to award attorneys' fees up to \$100,000.00 (one-third) of the Gross Settlement Amount and reimbursement of reasonable costs incurred in the Action not to exceed \$15,000.00. In addition, Class Counsel will ask the Court to authorize a Class Representative Service Payment of \$7,500.00 for Plaintiff for his efforts in bringing the case on behalf of the Class. The Parties estimate the cost of administering the Settlement will not exceed \$15,000.00. A proposed payment in the amount of \$22,500.00 will also be made to the LWDA for PAGA penalties, which represents 75% of the \$30,000.00 set aside for payment under the PAGA.

What claims are being released by the proposed Settlement?

Upon the final approval by the Court of this Settlement and Defendant's payment of all sums due pursuant to this Settlement, and except as to such rights or claims as may be created by this Settlement, the Class Representatives, the Class and each Class Member who has not submitted a valid and timely request for exclusion as to claims other than the PAGA claim, and each PAGA Employee, regardless of whether they have requested exclusion from the Settlement of Class claims, will release claims as follows:

(a) **Identity of Released Parties.** The released parties are Defendant, and each of its/their past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, DBAs, divisions, predecessors, successors, assigns, and joint venturers (collectively "Released Parties" or "Releasees").

(b) **Date Release Becomes Active.** The Released Claims and Released PAGA Claims will be released upon the later of (1) the Settlement's Effective Date, or (2) the satisfaction of Defendant's obligation to provide to the Settlement Administrator a sum in the amount required to satisfy all required payments and distributions pursuant to the Settlement and the Order and Judgment of final approval. Class Members will not release the Released Claims or Released PAGA Claims until both the Effective Date of the Settlement has occurred, **and** Defendant has paid all amounts owing under the Settlement.

(c) **Claims Released by Settlement Class Members.** Each and every Class Member, on behalf of himself or herself, and his or her heirs and assigns, unless he or she has submitted a timely and valid Request for Exclusion (which will not effectuate an opt-out from the release of Released PAGA Claims), hereby releases Releasees from the following claims for the entire Class Period:

1) any and all claims, rights, demands, liabilities, penalties, costs, expenses, attorneys' fees, damages, and causes of action that are alleged, or reasonably could have been alleged based on the facts and claims asserted in the operative complaint in this action, including the following claims: failure to pay minimum and straight time wages, failure to pay overtime compensation, failure to provide compliant meal periods failure to authorize and permit compliant rest periods, failure to indemnify necessary business expenses, failure to timely pay final wages upon separation from employment, failure to provide and maintain accurate itemized wage statements, Unfair Practices under the Unfair Competition Act ("UCL"), during the Class Period, including violation of the following sections of the California Labor Code sections 201, 202, 203, 204, 218.5 218.6, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1194, 1194.2, 1197, 1198, 2802, derivative claims under California Business & Professions Code § 17200, violation of the California Code of Regulations, Title 8 section 11040, violation of the California Industrial Wage Orders, and violation of California's unfair business practices and unfair competition laws, as well as any potential penalties, interest or attorneys' fees associated with these causes of action under California or federal law ("Released Claims"). As to any participating Settlement Class Member who cashes and/or negotiates the check representing their individual Settlement Payment, the signing and negotiation of that check shall serve as the Settlement Class Member's consent to join the action for purposes of releasing the Released Claims arising under the Fair Labor Standards Act ("FLSA").

(d) **Claims Released by the Class, Including PAGA Employees.** All PAGA Employees, regardless of whether they have requested exclusion from the Settlement as to Class claims, release Releasees from the following claims for the entire PAGA Period:

1) any and all claims, causes of action, damages, expenses, benefits, interest, penalties, attorneys' fees, costs, and any other form of relief or remedy in law, equity, or whatever kind or nature that were asserted or could have been asserted with respect to the Private Attorneys General Act ("PAGA") claims asserted in the Action and in Plaintiff's LWDA Notice(s) submitted to the LWDA in this Action on June 4, 2020 ("Released PAGA Claims").

What are my options in this matter?

You have two options under this Settlement, each of which is further discussed below. You may: (A) remain in the Class and receive an individual Settlement Payment; or (B) exclude yourself from the Settlement. If you choose option (A), you may also object to the Settlement, as explained below.

If you remain in the Class, you will be represented at no cost by Class Counsel. Class Counsel, however, will not represent you for purposes of making objections to the Settlement. If you do not exclude yourself from the Settlement, you will be subject to any Judgment that will be entered in the Action, including the release of the Released Claims as described above.

OPTION A. Remain in the Class. If you wish to remain in the Class and be eligible to receive an individual Settlement Payment under the Settlement, **you do not need to take any action.** By remaining in the Class and receiving settlement monies, you consent to the release of the Released Claims as described above. If your address has changed, you must notify the Settlement Administrator at Phoenix Settlement Administrators <<address>>.

Any amount paid to Settlement Class Members will not count or be counted for determination of eligibility for, or calculation of, any employee benefits (for example, vacations, holiday pay, retirement plans, non-qualified deferred compensation plans, etc.), or otherwise modify any eligibility criteria under any employee pension benefit plan or employee welfare plan sponsored by Defendant, unless otherwise required by law.

Objecting to the Settlement: If you believe the Settlement is not fair, reasonable, or adequate in any way, you have several options that you may use to object to it or express any concerns. To object, you may appear in person at the Final Approval Hearing, have an attorney object for you, or submit a written brief or statement of objection (“written objection”) to the Settlement Administrator at Phoenix Settlement Administrators <<address>>. If you submit a written objection, it should contain sufficient information to confirm your identity and the basis of the objection, including: (1) your full name; (2) the grounds for your objection; and (3) your signature; and it should be postmarked on or before <<Response Deadline>> and returned to the Settlement Administrator at the address listed above to ensure that it is received in time to be transmitted to and considered by the Court. You can also hire an attorney at your own expense to represent you in your objection. The Parties shall file responses to any written objections before the final approval hearing. Regardless of whether you object in writing, the Court may, in its sole discretion, permit you to state any objections you may have at the Settlement Hearing. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of Released Claims as set forth above, unless the Settlement is not finally approved by the Court.**

Regardless of the form, an objection, alone will not satisfy the requirement that a Settlement Class Member must formally intervene and become a party of record in the action to appeal a Judgment entered following an Order finally approving this Settlement, as is required under the California Supreme Court decision of *Hernandez v. Restoration Hardware*, 4 Cal. 5th 260 (2018).

OPTION B. Request to Be Excluded from the Settlement and Receive No Money from the Settlement. If you do not want to be part of the Settlement, you must submit a written request to be excluded from the Settlement to the Settlement Administrator at Phoenix Settlement Administrators <<address>>. In order to be valid, your written request to be excluded from the Settlement must be signed and include your name, address, and telephone number (to confirm your identity and make certain that only persons requesting exclusion are removed from the Settlement), along with a statement like the following:

“I WISH TO BE EXCLUDED FROM THE CLASS IN THE *GALVEZ V. YAMATO VALENCIA, INC.*, CLASS ACTION LAWSUIT, LOS ANGELES COUNTY SUPERIOR COURT CASE NO. 20STCV22760. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OTHER THAN MY SHARE OF THE PAGA PAYMENT.”

Your written request to be excluded from the Settlement must then be signed and postmarked on or before <<Response Deadline>>. If you do not submit a written request to be excluded from the Settlement on time (as evidenced by the postmark), your written request to be excluded from the Settlement will be rejected, you will be deemed a participating Class Member, and you will be bound by the release of Released Claims as described above and all other terms of the Settlement. If you submit a written request to be excluded from the Settlement by the deadline to request exclusion, you will have no further role in the Action. **You will not be entitled to any benefit, including money,** as a result of the Action and Settlement, except to the extent that you recovered to receive a portion of the penalties provided for under the PAGA. If the Court grants final approval of the Settlement

and you are PAGA Employee, whether you submit a request to be excluded from the Settlement you will still receive your share of the portion of the settlement allocated as PAGA penalties and will be bound by the PAGA release provisions of the Settlement, as described in this Notice. You will not be able to complain to the Court about any aspect of the Settlement.

What is the next step in the approval of the Settlement?

The Court will hold a Final Approval Hearing regarding the fairness, reasonableness, and adequacy of the Settlement, the plan of distribution, Class Counsel's request for attorneys' fees and costs, the Class Representative Service Payment to Plaintiff, the settlement administration costs, and the payment to the LWDA for PAGA penalties on <<**FA Date and Time**>> in Department 1 of the Los Angeles Superior Court, Spring Street Courthouse, 312 North Spring Street, Los Angeles, CA 90012. Because of healthcare guidance and Orders of the Los Angeles Superior Court related to COVID-19, the hearing may be a telephonic hearing only. If you wish to attend the Final Approval Hearing telephonically, visit <https://www.lacourt.org/lacc/> for instructions on how to do so. The Final Approval Hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing to receive an individual Settlement Payment.

If the Court grants Final Approval of the Settlement, the Order granting Final Approval and entering a Judgment will be mailed to you.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. More details are in the Joint Stipulation of Class Action Settlement attached to the Declaration of Kane Moon in Support of Plaintiff's Motion for Preliminary Approval. The Joint Stipulation of Class Action Settlement and all other records relating to the lawsuit are available for inspection and/or copying at the Civil Records Office of the Los Angeles Superior Court. Because of the Los Angeles Superior Court's COVID-19 pandemic procedures, in order to view documents filed in the lawsuit, Class Members may be required to make an appointment with the Court to view documents. You may also request a copy of the Settlement Agreement from Class Counsel, at the address listed above. You can also obtain further information regarding this action and this settlement at: <<**CASE WEBSITE**>>.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.