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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES – SPRING STREET

VALENTIN LOPEZ and GASPAR
 ZARAGOZA, individually, and on behalf all
 others similarly situated,

Plaintiffs,
 vs.

NEW STAR F INC. d/b/a NORTHERN CAFE,
 a California corporation; JIANG & YAN
 CORPORATION, a California corporation;
 NORTHERN CAFÉ RESTAURANT INC., a
 California corporation; WLY ENTERPRISE
 INC., a California corporation; ZYJ CORP., a
 California corporation; YZRJ CORP. a
 California corporation; THE BOWL
 RESTAURANT INC., a California corporation;
 NORTHERN CAFÉ DUMPLING HOUSE &
 BAR LLC, a California limited liability
 company; and DOES 1 through 50, inclusive,

Defendants.

Case No.: 20STCV04625
 Consolidated with Case No. 20STCV28150

CLASS ACTION

[Hon. David S. Cunningham, Dept. 11]

**CLASS ACTION AND PAGA SETTLEMENT
 AGREEMENT AND CLASS NOTICE**

Complaint filed: February 5, 2020
 Trial date: Not set

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CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff GASPAR ZARAGOZA (“Plaintiff”), on behalf of himself and on behalf of all persons similarly situated, and Defendants NEW STAR F INC. d/b/a NORTHERN CAFÉ, JIANG & YAN CORPORATION, NORTHERN CAFÉ RESTAURANT INC., WLY ENTERPRISE INC., ZYJ CORP., YZRJ CORP., THE BOWL RESTAURANT INC., and NORTHERN CAFÉ DUMPLING HOUSE & BAR LLC (collectively “Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendants captioned *Lopez, et al. v. New Star F Inc., et al.*, Case No.: 20STCV04625 (consolidated with Case No. 20STCV28150) initiated on February 5, 2020 and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2. “Administrator” means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount not exceeding Twelve Thousand Five Hundred Dollars and Zero Cents (\$12,500.00), payable from the Gross Settlement Amount, to the Administrator to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means all hourly and non-exempt employees currently or formerly employed by Defendants in the State of California at any time during the PAGA Period.
- 1.5. “Class” means all hourly and non-exempt employees currently or formerly employed by Defendants in the State of California at any time during the Class Period.
- 1.6. “Class Counsel” means Moon Law Group, PC, Daily Aljian LLP, and the Law Office of Daniel J. Hyun.

- 1.7. “Class Counsel Fees Payment” “”means the amount not exceeding Two Hundred Nine Thousand Six Hundred Sixty Six Dollars and Sixty Six Cents (\$209,666.66), payable from the Gross Settlement Amount and allocated to Class Counsel as reasonable attorneys’ fees incurred to prosecute the Action. If the Court finally approves a lesser amount, then the difference shall remain part of the Net Settlement Amount.
- 1.8. “Class Counsel Litigation Expenses Payment” means the amount not exceeding Thirty Thousand Dollars and Zero Cents (\$30,000.00), payable from the Gross Settlement Amount and allocated to Class Counsel for reimbursement of litigation expenses incurred to prosecute the Action. If the Court finally approves a lesser amount, then the difference shall remain part of the Net Settlement Amount.
- 1.9. “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, Social Security number or Taxpayer Identification Number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.10. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).
- 1.11. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address (“NCOA”) or similar database, skip traces, and direct contact by the Administrator with Class Members.
- 1.12. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English, with Mandarin, or Simplified Chinese and Spanish translations, in the form, without material variation unless otherwise agreed by the Parties, attached as Exhibit A and incorporated by reference into this Agreement.
- The Parties, through counsel, may agree to modifications to the Class Notice required

to correct errors or effectuate changes required by the Court without the need to amend this Agreement, and the revised Class Notice shall be incorporated herein in place of the original Exhibit A.

1.13. “Class Period” means the period from February 5, 2016 to July 19, 2023.

1.14. “Class Representative” means the Plaintiff Gaspar Zaragoza named in the operative complaint in the Action seeking Court approval to serve as a Class Representative.

1.15. “Class Representative Service Payment” means the amount not exceeding Ten Thousand Dollars and Zero Cents (\$10,000.00), payable from the Gross Settlement Amount and due to Plaintiff, separate from any Individual Settlement Payment and Individual PAGA Payment, for initiating the Action and providing services in support of the Action. If the Court finally approves a lesser amount, then the difference shall remain part of the Net Settlement Amount.

1.16. “Court” means the Superior Court of California, County of Los Angeles.

1.17. “Defendants” means named Defendants NEW STAR F INC. d/b/a NORTHERN CAFÉ, JIANG & YAN CORPORATION, NORTHERN CAFÉ RESTAURANT INC., WLY ENTERPRISE INC., ZYJ CORP., YZRJ CORP., THE BOWL RESTAURANT INC., and NORTHERN CAFÉ DUMPLING HOUSE & BAR LLC.

1.18. “Defense Counsel” means Scott K. Dauscher and Lauren S. Gafa of Atkinson, Andelson, Loya, Ruud & Romo.

1.19. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its order granting final approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.20. “Final Approval” means the Court’s order granting final approval of the Settlement.

- 1.21. “Final Approval Hearing” means the Court’s hearing on the motion for Final Approval of the Settlement.
- 1.22. “Gross Settlement Amount” means Six Hundred Twenty Nine Thousand Dollars and Zero Cents (\$629,000.00), which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraphs 3.1 and 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and the Administration Expenses Payment.
- 1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods worked during the PAGA Period.
- 1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled to 75% of the PAGA Penalties, under Labor Code § 2699(i).
- 1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code § 2699(i).
- 1.28. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. “Non-Participating Class Member” means any Class Member who opts out of the Class portion of the Settlement by sending the Administrator a valid and timely Request for

1 Exclusion.

2 1.30. "Objection" means a Participating Class Member's timely and valid written objection
3 to the terms and conditions of this Settlement Agreement.

4 1.31. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).

5 1.32. "PAGA Claims" means all claims or causes of action under PAGA that were or could
6 have been premised on the claims, liabilities, demands, causes of action, rights,
7 penalties, legal theories of relief, or obligations of any nature under the California
8 Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*) alleged in the
9 PAGA Notice to the LWDA and Defendants, and that were alleged or reasonably could
10 have been alleged based on the facts asserted in the operative complaint in the Action
11 including, but not limited to, for violations of the California Labor Code and California
12 Industrial Welfare Commission Wage Orders.

13 1.33. "PAGA Notice" means Valentin Lopez's January 31, 2020 and August 9, 2021 and
14 Plaintiff's July 19, 2020 letters to Defendants and the LWDA providing notice
15 pursuant to Labor Code § 2699.3(a).

16 1.34. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee
17 worked for Defendants for at least one day during the PAGA Period.

18 1.35. "PAGA Penalties" means \$30,000, which is the total amount of PAGA civil penalties
19 to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved
20 Employees (\$7,500) and the 75% to LWDA (\$22,500) in settlement of PAGA claims.

21 1.36. "PAGA Period" means the period from January 31, 2019 to July 19, 2023.

22 1.37. "Participating Class Member" means a Class Member who does not submit a valid and
23 timely Request for Exclusion from the Class portion of the Settlement.

24 1.38. "Plaintiff" means Gaspar Zaragoza, the named plaintiff in the Action.

25 1.39. "Preliminary Approval" means the Court's order granting preliminary approval of the
26 Class portion of the Settlement.

27 1.40. "Preliminary Approval Order" means the proposed order granting preliminary approval
28 of the Class portion of the Settlement.

- 1.41. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.42. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.43. “Released Parties” means: (1) Defendants; (2) Defendants’ respective past, present and future parent corporations, affiliates, affiliates’ companies, subsidiaries, divisions, d/b/a’s, predecessors, insurers, successors, franchisees, franchisors, assigns, principals, heirs, their current and former employees, accountants, auditors, attorneys, consultants, officers, managers, members, partners, directors, shareholders, agents, both individually and in their business capacities of any of the foregoing.
- 1.44. “Request for Exclusion” means a Class Member’s timely and valid submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.45. “Response Deadline” means sixty (60) days after the Administrator mails the Class Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Class portion of the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. The Response Deadline for Class Members to whom the Class Notice are resent after having been returned undeliverable to the Administrator shall be extended by fifteen (15) calendar days beyond the original Response Deadline.
- 1.46. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.47. “Workweek” means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

2. **RECITALS.**

- 2.1. On February 5, 2020, Valentin Lopez commenced this Action by filing a Class Action Complaint alleging causes of action against Defendants New Star F Inc. dba Northern Café and Jiang & Yan Corporation for failure to pay all wages, failure to pay overtime

wages, failure to provide meal periods, failure to provide rest breaks, failure to provide accurate itemized wage statements, waiting time penalties, and violation of the Unfair Competition Law. On July 23, 2020, Plaintiff filed a Class Action Complaint alleging causes of action against Defendants for failure to pay minimum and regular wages, failure to pay overtime wages, failure to provide meal periods, failure to provide rest breaks, failure to provide accurate itemized wage statements, waiting time penalties, and violation of the Unfair Competition Law. On January 19, 2023, Plaintiff and Valentin Lopez filed a Fourth Amended Consolidated Class and Representative Action Complaint (“4AC”) alleging causes of action against Defendants for failure to pay all wages, failure to pay overtime wages, failure to provide meal periods, failure to provide rest breaks, failure to provide accurate itemized wage statements, waiting time penalties, and violations of the Unfair Competition Law and Private Attorneys General Act of 2004 (“PAGA”). The 4AC is the operative complaint in the Action (the “Operative Complaint.”) Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in in the Operative Complaint, and deny any and all liability for the causes of action alleged. Class Counsel will request a dismissal of Valentin Lopez pursuant to California Rules of Court, Rule 3.770.

2.2. Pursuant to Labor Code § 2699.3(a), Plaintiff gave written notice to Defendants and the LWDA by sending the PAGA Notice.

2.3. On July 19, 2023, the Parties participated in an all-day mediation presided over by Michael Young, Esq. which led to this Agreement to settle the Action.

2.4. Prior to mediation, Plaintiff and Valentin Lopez propounded formal discovery, and obtained, through formal and informal discovery, policy documents, a sampling of Class Members’ time and payroll records, and other relevant data points and information. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal. App. 4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116, 129-130 (2008) (“*Dunk/Kullar*”).

1 2.5. The Court has not granted class certification.

2 2.6. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of
3 any other pending matter or action asserting claims that will be extinguished or
4 affected by the Settlement.

5
6 **3. MONETARY TERMS.**

7 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraphs 8 and 9 below,
8 Defendants promise to pay Six Hundred Twenty Nine Thousand Dollars and Zero
9 Cents (\$629,000.00) and no more as the Gross Settlement Amount, and to separately
10 pay any and all employer payroll taxes owed on the Wage Portions of the Individual
11 Class Payments. Defendants have no obligation to pay the Gross Settlement Amount
12 (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement.
13 The Administrator will disburse the entire Gross Settlement Amount without asking or
14 requiring Participating Class Members or Aggrieved Employees to submit any claim as
15 a condition of payment. None of the Gross Settlement Amount will revert to
16 Defendants.

17 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct
18 the following payments from the Gross Settlement Amount, in the amounts specified
19 by the Court in the Final Approval:

20 3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative
21 of not more than Ten Thousand Dollars and Zero Cents (\$10,000.00) (in
22 addition to any Individual Class Payment and any Individual PAGA Payment
23 the Class Representative is entitled to receive as a Participating Class Member).
24 Defendants will not oppose Plaintiff's request for a Class Representative
25 Service Payment that does not exceed this amount. As part of the motion for
26 Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff
27 will seek Court approval for any Class Representative Service Payments no
28 later than 16 court days prior to the Final Approval Hearing. If the Court

1 approves a Class Representative Service Payment less than the amount
2 requested, the Administrator will retain the remainder in the Net Settlement
3 Amount. The Administrator will pay the Class Representative Service Payment
4 using IRS Form 1099. Plaintiff assumes full responsibility and liability for
5 employee taxes owed on the Class Representative Service Payment.

6 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third
7 (1/3) of the Gross Settlement Amount, which is currently estimated to be Two
8 Hundred Nine Thousand Six Hundred Sixty Six Dollars and Sixty Seven Cents
9 (\$209,666.67), and a Class Counsel Litigation Expenses Payment of not more
10 than Thirty Thousand Dollars and Zero Cents (\$30,000.00). Defendants will not
11 oppose requests for these payments provided that they do not exceed these
12 amounts. Plaintiff and/or Class Counsel will file a Motion for Final Approval of
13 the Settlement that includes a request for the Class Counsel Fees Payment and
14 the Class Litigation Expenses Payment no later than 16 court days prior to the
15 Final Approval Hearing. If the Court approves a Class Counsel Fees Payment
16 and/or a Class Counsel Litigation Expenses Payment less than the amounts
17 requested, the Administrator will allocate the remainder to the Net Settlement
18 Amount. Released Parties shall have no liability to Class Counsel or any other
19 Plaintiff's Counsel arising from any claim to any portion any Class Counsel
20 Fees Payment and/or Class Counsel Litigation Expenses Payment. The
21 Administrator will pay the Class Counsel Fees Payment and Class Counsel
22 Litigation Expenses Payment using one or more IRS 1099 Forms. Class
23 Counsel assumes full responsibility and liability for taxes owed on the Class
24 Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and
25 holds Defendants harmless, and indemnifies Defendants, from any dispute or
26 controversy regarding any division or sharing of any of these Payments.

27 3.2.3. To the Administrator: An Administration Expenses Payment not to exceed
28 Twelve Thousand Five Hundred Dollars and Zero Cents (\$12,500.00), except

1 for a showing of good cause and as approved by the Court. To the extent the
2 Administration expenses are less or the Court approves payment less than
3 \$12,500.00, the Administrator will retain the remainder in the Net Settlement
4 Amount.

5 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated
6 by (a) dividing the Net Settlement Amount by the total number of Workweeks
7 worked by all Participating Class Members during the Class Period and (b)
8 multiplying the result by each Participating Class Member's Workweeks.

9 3.2.4.1. Tax Allocation of Individual Class Payments. One-third (1/3) of each
10 Participating Class Member's Individual Class Payment will be
11 allocated to settlement of wage claims (the "Wage Portion"). The Wage
12 Portions are subject to tax withholding and will be reported on an IRS
13 W-2 Form. Two-thirds (2/3) of each Participating Class Member's
14 Individual Class Payment will be allocated to settlement of claims for
15 interest and penalties (the "Non-Wage Portion"). The Non-Wage
16 Portions are not subject to wage withholdings and will be reported on
17 IRS 1099 Forms. Participating Class Members assume full
18 responsibility and liability for any employee taxes owed on their
19 Individual Class Payment.

20 3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual
21 Class Payments. Non-Participating Class Members will not receive any
22 Individual Class Payments. The Workweeks of Non-Participating Class
23 Members are not included in the calculation of payments to
24 Participating Class Members and therefore have no effect on the
25 calculation of Individual Class Payments paid from the Net Settlement
26 Amount.

27 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of
28 Thirty Thousand Dollars and Zero Cents (\$30,000.00) to be paid from the

Gross Settlement Amount, with 75% , or Twenty Two Thousand Five Hundred Dollars and Zero Cents (\$22,500.00), allocated to the LWDA PAGA Payment and 25%, Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500), allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties \$7,500 by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099-MISC Forms.

4. **SETTLEMENT FUNDING AND PAYMENTS.**

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendants estimate there are 563 Class Members who collectively worked a total of 17,000 Workweeks, and 467 Aggrieved Employees who worked a total of 5,035 PAGA Pay Periods.

4.2. Class Data. Not later than fourteen (14) calendar days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need

access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator no later than fourteen (14) calendar days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 calendar days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-

1 Participating Class Members who qualify as Aggrieved Employees (including
2 those for whom Class Notice was returned undelivered). The Administrator
3 may send Participating Class Members a single check combining the Individual
4 Class Payment and the Individual PAGA Payment. Before mailing any checks,
5 the Settlement Administrator must update the recipients' mailing addresses
6 using the NCOA database.

7 4.4.2. The Administrator must conduct a Class Member Address Search for all other
8 Class Members whose checks are returned undelivered without a United States
9 Postal Service ("USPS") forwarding address. Within seven (7) days of
10 receiving a returned check, the Administrator must re-mail checks to the USPS
11 forwarding address provided or to an address ascertained through the Class
12 Member Address Search. The Administrator need not take further steps to
13 deliver checks to Class Members whose re-mailed checks are returned as
14 undelivered. The Administrator shall promptly send a replacement check to any
15 Class Member whose original check was lost or misplaced, requested by the
16 Class Member prior to the void date.

17 4.4.3. For any Class Member whose Individual Class Payment check or Individual
18 PAGA Payment check is uncashed and cancelled after the void date, the
19 Administrator shall transmit the funds represented by such checks to the
20 California Controller's Unclaimed Property Fund in the name of the Class
21 Member thereby leaving no "unpaid residue" subject to the requirements of
22 California Code of Civil Procedure § 384(b).

23 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments
24 shall not obligate Defendants to confer any additional benefits or make any
25 additional payments to Class Members (such as 401(k) contributions or
26 bonuses) beyond those specified in this Agreement.

1 **5. RELEASES OF CLAIMS.**

2 Effective on the date when Defendants fully funds the entire Gross Settlement Amount and funds all
3 employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class
4 Members, and Class Counsel will release claims against all Released Parties as follows:

5 **5.1. Plaintiff's Release.**

6 **5.1.1. Scope of Plaintiff's Release.** In addition to the Released Class Claims,
7 Released PAGA Claims, and as a material inducement to Defendants to enter
8 into the Settlement, Plaintiff agrees to completely release and discharge
9 Defendants and the Released Parties from any and all charges, complaints,
10 claims, liabilities, obligations, promises, agreements, controversies, damages,
11 actions, causes of action, suits, rights, demands, costs, losses, debts, and
12 expenses relating to Plaintiff's employment with or work for Defendants or the
13 renumeration for or termination of such employment. ("Plaintiff's Release.")
14 Plaintiff's Release does not extend to any claims or actions to enforce this
15 Agreement, or to any claims for vested benefits, unemployment benefits,
16 disability benefits, social security benefits, workers' compensation benefits that
17 arose at any time, or based on occurrences outside the Class Period. Plaintiff
18 acknowledges that Plaintiff may discover facts or law different from, or in
19 addition to, the facts or law that Plaintiff now knows or believes to be true but
20 agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all
21 respects, notwithstanding such different or additional facts or Plaintiff's
22 discovery of them.

23 **5.1.2. Plaintiff's Waiver of Rights Under California Civil Code § 1542.** For purposes
24 of Plaintiff's Release, Plaintiff expressly waives and relinquishes the
25 provisions, rights, and benefits, if any, of Section 1542 of the California Civil
26 Code, which reads:

27 **A general release does not extend to claims that the creditor or**
28 **releasing party [i.e. Plaintiff] does not know or suspect to exist in**
 his or her favor at the time of executing the release, and that if

1 **known by him or her would have materially affected his or her**
2 **settlement with the debtor or Released Party [i.e. Defendants].**

3 5.2. Release by Participating Class Members: All Participating Class Members, on behalf
4 of themselves and their respective former and present representatives, agents,
5 attorneys, heirs, administrators, successors, and assigns, release Released Parties from
6 (i) all claims that were alleged, or reasonably could have been alleged, based on the
7 Class Period facts stated in the Operative Complaint and ascertained in the course of
8 the Action including all claims for unpaid wages, including but not limited to, failure to
9 pay minimum wages, straight time compensation, overtime, and double time
10 compensation, and interest; failure to timely pay regular and final wages; failure to
11 provide meal and rest periods or provide premium pay; failure to provide accurate
12 itemized wage statements; failure to keep accurate records of wages paid and hours
13 worked; declaratory relief; unfair business practices; statutory and other penalties,
14 including recordkeeping penalties, wage statement penalties, minimum-wage penalties,
15 and waiting-time penalties; and attorneys' fees and costs. Except as set forth in Section
16 5.3 of this Agreement, Participating Class Members do not release any other claims,
17 including claims for vested benefits, wrongful termination, violation of the Fair
18 Employment and Housing Act, unemployment insurance, disability, social security,
19 workers' compensation, or claims based on facts occurring outside the Class Period.

20 5.3. Release by Class Members Who Are Aggrieved Employees: All Class Members who
21 are Aggrieved Employees are deemed to release, on behalf of themselves and their
22 respective former and present representatives, agents, attorneys, heirs, administrators,
23 successors, and assigns, the Released Parties from all claims for PAGA penalties
24 during the PAGA Period that were alleged, or reasonably could have been alleged,
25 based on the facts stated in the Operative Complaint and the PAGA Notice and
26 ascertained in the course of the Action including, any and all claims for PAGA
27 Penalties involving any alleged unpaid wages, including but not limited to failure to
28 pay minimum wages, straight time compensation, overtime, and double time

1 compensation; failure to timely pay regular and final wages; failure to provide meal
2 and rest periods or provide premium pay; failure to provide accurate itemized wage
3 statements; failure to keep accurate records of wages paid and hours worked; and
4 attorneys' fees and costs.

5
6 **6. MOTION FOR PRELIMINARY APPROVAL.**

7 The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for
8 Preliminary Approval") that complies with the Court's current checklist for preliminary approvals, to
9 the extent the Court maintains such a checklist.

10 6.1. Defendants' Declaration in Support of Preliminary Approval. Within fourteen (14)
11 calendar days of the full execution of this Agreement, Defendants will prepare and
12 deliver to Class Counsel a signed declaration from Defendants and Defense Counsel
13 disclosing all facts relevant to any actual or potential conflicts of interest with the
14 Administrator, if any such actual or potential conflicts exist. Similarly, if any other
15 pending matter or action asserting claims will be extinguished or adversely affected by
16 the Settlement, Defendants shall prepare and deliver to Class Counsel a signed
17 declaration from Defendants and Defense Counsel identifying any other pending matter
18 or action asserting claims that will be extinguished or adversely affected by the
19 Settlement. Alternatively, if such other actions are filed between the execution of this
20 Agreement and the filing of the Motion for Preliminary Approval and become known
21 to Defendants and Defense Counsel, Defense Counsel will advise Class Counsel.

22 6.2. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all
23 documents necessary for obtaining Preliminary Approval, including: (i) a draft of the
24 notice, and memorandum in support, of the Motion for Preliminary Approval that
25 includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of
26 the PAGA Settlement under Labor Code § 2699(f)(2)); (ii) a draft proposed order
27 granting preliminary approval and approval of PAGA settlement; (iii) a draft proposed
28 Class Notice; (iv) a signed declaration from the Administrator attaching its "not to

1 exceed” bid for administering the Settlement and attesting to its willingness to serve;
2 competency; operative procedures for protecting the security of Class Data; amounts of
3 insurance coverage for any data breach, defalcation of funds or other misfeasance; all
4 facts relevant to any actual or potential conflicts of interest with Class Members; and
5 the nature and extent of any financial relationship with Plaintiff, Class Counsel or
6 Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and
7 competency to serve and disclosing all facts relevant to any actual or potential conflicts
8 of interest with Class Members, and the Administrator; (vi) a signed declaration from
9 each Class Counsel firm attesting to its competency to represent the Class Members; its
10 timely transmission to the LWDA of all necessary PAGA documents (initial notice of
11 violations (Labor Code § 2699.3(a)), Operative Complaint (Labor Code § 2699(l)(1)),
12 this Agreement (Labor Code § 2699(l)(2)); and, (vii) all facts relevant to any actual or
13 potential conflict of interest with Class Members, and/or the Administrator. In their
14 declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other
15 pending matter or action asserting claims that will be extinguished or adversely
16 affected by the Settlement. Alternatively, if such other actions are filed between the
17 execution of this Agreement and the filing of the Motion for Preliminary Approval and
18 become known to Plaintiff and Class Counsel, Class Counsel will advise Defense
19 Counsel.

20 6.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible
21 for expeditiously finalizing and filing the Motion for Preliminary Approval no later
22 than thirty (30) calendar days after the full execution of this Agreement; obtaining a
23 prompt hearing date for the Motion for Preliminary Approval; and for appearing in
24 Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is
25 responsible for delivering the Court’s Preliminary Approval Order to the
26 Administrator.

27 6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
28 Preliminary Approval and/or the supporting declarations and documents, Class

Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1. Selection of Administrator. The Parties have jointly selected Phoenix Class Action Administration Solutions ("Phoenix") to serve as the Administrator and verified that, as a condition of appointment, Phoenix agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation § 468B-1.

7.4. Notice to Class Members.

7.4.1. No later than five (5) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and PAGA Pay Periods reflected in the Class Data.

7.4.2. Using best efforts to perform as soon as possible, and in no event later than

fourteen (14) calendar days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice with Spanish and Mandarin, or Simplified Chinese translations substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of each Individual Class Payment and/or Individual PAGA Payment payable to the Class Member and/or Aggrieved Employee, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the NCOA database.

7.4.3. Not later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4. The deadlines for Class Members' written Objections, challenges to Workweeks and/or pay periods, and Requests for Exclusion will be extended an additional fifteen (15) calendar days beyond the sixty (60) calendar days otherwise provided in the Class Notice for all Class Members whose notices are re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5. If the Administrator, Defendants or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on

whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fifteen (15) days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5. Requests for Exclusion (Opt-Outs).

7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class portion of the Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than sixty (60) calendar days after the Administrator mails the Class Notice (plus an additional fifteen (15) calendar days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Class portion of the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final as to the Parties, but a Class Member whose Request for Exclusion is rejected by the Administrator may present a challenge to that

determination to the Court.

7.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6. Challenges to Calculation of Workweeks. Each Class Member shall have sixty (60) calendar days after the Administrator mails the Class Notice (plus an additional fifteen (15) calendar days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and/or PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final as to the Parties (although Defendants shall retain the right to correct erroneous Class Data if subsequently discovered), but a Class Member whose Workweek and/or Pay Period challenge is rejected by the Administrator may present the same evidence supporting

the Workweek and/or Pay Period challenge to the Court for review. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7. Objections to Settlement.

7.7.1. Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than sixty (60) calendar days after the Administrator's mailing of the Class Notice (plus an additional fifteen (15) calendar days for Class Members whose Class Notice was re-mailed).

7.7.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1. Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing, the Preliminary Approval Order, the Class Notice, the Final Approval Order, and the Judgment. The Administrator will also maintain and

1 monitor an email address and a toll-free telephone number to receive Class
2 Member calls, faxes and emails.

3 7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
4 promptly review on a rolling basis Requests for Exclusion to ascertain their
5 validity. Not later than five (5) calendar days after the expiration of the deadline
6 for submitting Requests for Exclusion, the Administrator shall email a list to
7 Class Counsel and Defense Counsel containing (a) the names and other
8 identifying information of Class Members who have timely submitted valid
9 Requests for Exclusion (“Exclusion List”); (b) the names and other identifying
10 information of Class Members who have submitted invalid Requests for
11 Exclusion; and (c) copies of all Requests for Exclusion from the Settlement
12 submitted by the Class Members (whether valid or invalid).

13 7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written
14 reports to Class Counsel and Defense Counsel that, among other things, tally
15 the number of: Class Notices mailed or re-mailed, Class Notices returned
16 undelivered, Requests for Exclusion (whether valid or invalid) received,
17 objections received, and challenges to Workweeks and/or PAGA Pay Periods
18 received and/or resolved (“Weekly Report”). The Weekly Reports must include
19 provide the Administrator’s assessment of the validity of Requests for
20 Exclusion and attach copies of all Requests for Exclusion and objections
21 received. In addition to the Weekly Reports, the Administrator shall report to
22 the Parties when it has completed the initial distribution of the Individual Class
23 Payments and Individual PAGA Payments to all individuals with valid
24 addresses.

25 7.8.4. Workweek and/or Pay Period Challenges. The Administrator has the authority
26 to address and make decisions consistent with the terms of this Agreement on
27 all Class Member challenges over the calculation of Workweeks and/or PAGA
28 Pay Periods. The Administrator’s determination of each Class Member’s

1 allocation of Workweeks and/or PAGA Pay Periods shall be final as to the
2 Parties (although Defendants shall retain the right to correct erroneous Class
3 Data if subsequently discovered), but a Class Member whose Workweek and/or
4 Pay Period challenge is rejected by the Administrator may present the same
5 evidence supporting the Workweek and/or Pay Period challenge to the Court
6 for review.

7 7.8.5. Administrator's Declaration. Not later than fourteen (14) calendar days before
8 the date by which Plaintiff is required to file the Motion for Final Approval of
9 the Settlement, the Administrator will provide to Class Counsel and Defense
10 Counsel, a signed declaration suitable for filing in Court attesting to its due
11 diligence and compliance with all of its obligations under this Agreement,
12 including, but not limited to, its mailing of Class Notice, the Class Notices
13 returned as undelivered, the re-mailing of Class Notices, attempts to locate
14 Class Members, the total number of Requests for Exclusion from Settlement it
15 received (both valid or invalid), the number of written objections and attach the
16 Exclusion List. The Administrator will supplement its declaration as needed or
17 requested by the Parties and/or the Court. Class Counsel is responsible for filing
18 the Administrator's declaration(s) in Court.

19 7.8.6. Final Report by Settlement Administrator. Within ten (10) calendar days after
20 the Administrator disburses all funds in the Gross Settlement Amount, the
21 Administrator will provide Class Counsel and Defense Counsel with a final
22 report detailing its disbursements by employee identification number only of all
23 payments made under this Agreement. At least fourteen (14) calendar days
24 before any deadline set by the Court, the Administrator will prepare, and submit
25 to Class Counsel and Defense Counsel, a signed declaration suitable for filing
26 in Court attesting to its disbursement of all payments required under this
27 Agreement. Class Counsel is responsible for filing the Administrator's
28 declaration in Court.

1 **8. CLASS SIZE ESTIMATES AND ESCALATOR CLAUSE**

2 Based on its records, Defendants estimate that, as of the date of this Settlement Agreement, (1) there
3 are 563 Class Members and 17,000 Total Workweeks during the Class period and (2) there were 467
4 Aggrieved Employees who worked 5,035 Pay Periods during the PAGA Period. If the number of
5 workweeks in the Class Period exceeds 17,000 by more than 10%, the Gross Settlement Amount will
6 increase by \$37 for each additional workweek over 17,000.

7
8 **9. DEFENDANTS' RIGHT TO WITHDRAW.**

9 If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total
10 of all Class Members, Defendants may, but are not obligated to, withdraw from the Settlement. The
11 Parties agree that, if Defendants withdraw, the Settlement shall be void ab initio, have no force or
12 effect whatsoever, and that neither Party will have any further obligation to perform under this
13 Agreement; provided, however, Defendants will remain responsible for paying all Settlement
14 administration expenses incurred to that point. Defendants must notify Class Counsel and the Court of
15 its election to withdraw not later than seven (7) calendar days after the Administrator sends the final
16 Exclusion List to Defense Counsel; late elections will have no effect.

17
18 **10. MOTION FOR FINAL APPROVAL.**

19 Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file
20 in Court, a motion for final approval of the Settlement that includes a request for approval of the
21 PAGA settlement under Labor Code § 2699(1), a Proposed final approval order and a proposed
22 Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents
23 to Defense Counsel not later than five (5) court days prior to filing the Motion for Final Approval.
24 Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and
25 in good faith, to resolve any disagreements concerning the Motion for Final Approval.

26 10.1. Response to Objections. Each Party retains the right to respond to any objection raised
27 by a Participating Class Member, including the right to file responsive documents in
28 Court no later than five (5) court days prior to the Final Approval Hearing, or as

otherwise ordered or accepted by the Court.

10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final.

10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a

material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT.

If any amended judgment is required under Code of Civil Procedure § 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

12. ADDITIONAL PROVISIONS.

12.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendants' defenses.

The Settlement, this Agreement and Parties' willingness to settle the Action will have

no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the

Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

12.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

12.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

12.7. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

12.8. No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

12.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

- 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code § 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) calendar days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 12.15. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.16. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls

on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

12.17. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Kane Moon (SBN 249834)
 kmoon@moonlawgroup.com
 H. Scott Leviant (SBN 200834)
 hsleviant@moonlawgroup.com
MOON LAW GROUP, PC
 1055 W. Seventh St., Suite 1880
 Los Angeles, California 90017
 Telephone: (213) 232-3128
 Facsimile: (213) 232-3125

DAILY ALJIAN LLP

Justin E. D. Daily (State Bar No. 209772)
 jd@dallp.com
 Reed Aljian (State Bar No. 211010)
 ra@dallp.com
 Shelly Song (State Bar No. 312036)
 ss@dallp.com
 100 Bayview Circle, Suite 5500
 Newport Beach, CA 92660
 Telephone: 949.861.2524
 Facsimile: 949.269.6364

LAW OFFICE OF DANIEL J. HYUN

Daniel J. Hyun (State Bar No. 309184)
 dh@danielhyunlaw.com
 1100 West Town and Country Road, Suite 1250
 Orange, CA 92868
 Telephone: 949.590.4122
 Facsimile: 949.528.2596

To Defendants:

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A Professional Corporation
 Scott K. Dauscher (State Bar No. 204105)
 sdauscher@aalrr.com
 Lauren S. Gafa (State Bar No. 316896)
 lauren.gafa@aalrr.com
 12800 Center Court Drive South, Suite 300
 Cerritos, CA 90703

Telephone: (562) 653-3200
Facsimile: (562) 653-3333

12.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

12.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure § 583.330 to extend the date to bring a case to trial under Code of Civil Procedure § 583.310 for the entire period of this settlement process.

13. TRANSLATION.

13.1. To the extent Plaintiff Gaspar Zaragoza requires this Agreement to be translated to Spanish for his understanding and comprehension, Plaintiff agrees and acknowledges that this Agreement has been fully translated to Plaintiff and explained to him in Spanish by his legal counsel prior to his execution below. Plaintiff further waives any claim or defense that he failed to understand the terms and conditions of this Agreement.

13.2. En la medida en que el Demandante Gaspar Zaragoza exija esta Acuerdo se la traduzca al español, el Demandante acuerda y reconoce que esta Acuerdo ha sido traducido al Demandante y explicado al Demandante en español por su asesor legal antes de su ejecución a continuación. Por los tanto, la Demandante renuncia a cualquier reclamación o defensa de que no entendió los términos y condiciones de este Acuerdo.

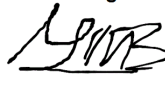
The Parties hereby execute this Settlement.

///

Plaintiff & Class Representative:

Dated: September 18, 2023

By: _____

DocuSigned by:

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PLAINTIFF GASPAR ZARAGOZA

Plaintiff's Counsel (approved as to form):

Dated: September 18, 2023

MOON LAW GROUP, PC

By: _____


Kane Moon
H. Scott Leviant
Mariam Ghazaryan

Attorneys for Plaintiff

Dated: September , 2023

DAILY ALJIAN LLP

By: _____

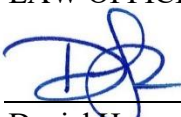
Justin E. D. Daily
Reed Aljian
Shelly Song

Attorneys for Plaintiff

Dated: September 14, 2023

LAW OFFICE OF DANIEL J. HYUN

By: _____


Daniel Hyun

Attorneys for Plaintiff

Defendants:

Dated: September , 2023

DEFENDANT NEW STAR F INC.

By: _____

Print Name

Signature

Title

Plaintiff & Class Representative:

Dated: September __, 2023

By: _____
PLAINTIFF GASPAR ZARAGOZA

Plaintiff's Counsel (approved as to form):

Dated: September __, 2023

MOON LAW GROUP, PC

By: _____
Kane Moon
H. Scott Leviant
Mariam Ghazaryan

Attorneys for Plaintiff

Dated: September 14, 2023

DAILY ALJIAN LLP

By: Justin Daily
Justin E. D. Daily
Reed Aljian
Shelly Song

Attorneys for Plaintiff

Dated: September 14, 2023

LAW OFFICE OF DANIEL J. HYUN

By: [Signature]
Daniel Hyun

Attorneys for Plaintiff

Defendants:

Dated: September __, 2023

DEFENDANT NEW STAR F INC.

By: _____
Print Name

Signature

Title

Plaintiff & Class Representative:

Dated: September __, 2023

By: _____
PLAINTIFF GASPAR ZARAGOZA

Plaintiff's Counsel (approved as to form):

Dated: September __, 2023

MOON LAW GROUP, PC

By: _____
Kane Moon
H. Scott Leviant
Mariam Ghazaryan

Attorneys for Plaintiff

Dated: September __, 2023

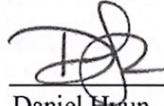
DAILY ALJIAN LLP

By: _____
Justin E. D. Daily
Reed Aljian
Shelly Song

Attorneys for Plaintiff

Dated: September 14, 2023

LAW OFFICE OF DANIEL J. HYUN

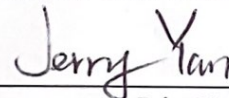
By:  _____
Daniel Hyun

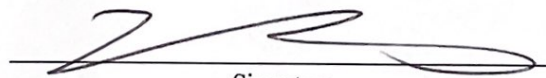
Attorneys for Plaintiff

Defendants:

Dated: September 22, 2023

DEFENDANT NEW STAR F INC.

By:  _____
Print Name

 _____
Signature

CEO _____
Title

1 Dated: September 22, 2023

DEFENDANT JIANG & YAN CORPORATION

2 By: Jerry Yan
3 Print Name

4 [Signature]
5 Signature

6 CEO
7 Title

8 Dated: September 22, 2023

DEFENDANT NORTHERN CAFÉ RESTAURANT INC.

9 By: QUAN REN
10 Print Name

11 [Signature]
12 Signature

13 CEO
14 Title

15 Dated: September 21, 2023

DEFENDANT WLY ENTERPRISE INC.

16 By: WADUANG
17 Print Name

18 [Signature]
19 Signature

20 CEO
21 Title

1 Dated: September 22, 2023

DEFENDANT ZYJ CORP.

2 By: Jerry Yan

3 Print Name

4 [Signature]

5 Signature

6 CEO

7 Title

8 Dated: September 22, 2023

DEFENDANT YZRJ CORP.

9 By: QUAN REN

10 Print Name

11 [Signature]

12 Signature

13 CEO

14 Title

15 Dated: September 21, 2023

DEFENDANT THE BOWL RESTAURANT INC.

16 By: Chuan Long

17 Print Name

18 [Signature]

19 Signature

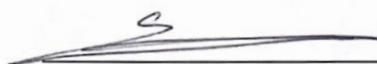
20 CEO

21 Title

1 Dated: September 21, 2023

DEFENDANT NORTHERN CAFÉ DUMPLING
HOUSE & BAR LLC

2
3 By: Xue Mei Ren
4 Print Name

5 
6 Signature

7 CEO
8 Title

9 **Defendants' Counsel (approved as to form):**

10 Dated: September 25, 2023

**ATKINSON, ANDELSON, LOYA, RUUD &
ROMO**

11
12 By: 
13 Scott K. Dauscher
14 Lauren S. Gafa

15 Attorneys for Defendants
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Exhibit “A”

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR
FINAL COURT APPROVAL**

Lopez, et al. v. New Star F Inc., et al.

Los Angeles Superior Court, Case No. 20STCV04625
(consolidated with Case No. 20STCV28150)

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from an employee class action lawsuit (“Action”) against NEW STAR F INC. d/b/a NORTHERN CAFÉ, JIANG & YAN CORPORATION, NORTHERN CAFÉ RESTAURANT INC., WLY ENTERPRISE INC., ZYJ CORP., YZRJ CORP., THE BOWL RESTAURANT INC., and NORTHERN CAFÉ DUMPLING HOUSE & BAR LLC (who will be collectively referred to in this Notice as “Defendants”) for alleged wage and hour violations. The Action was filed by Defendants’ former employee GASPAR ZARAGOZA (“Plaintiff”) and seeks payment of (1) back wages, meal and rest period premiums, and wage statement and waiting time penalties as well as remedies under California’s Unfair Competition Law for a class of hourly, non-exempt employees (“Class Members”) who were employed by Defendants during the Class Period (February 5, 2016 to July 19, 2023); and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all hourly, non-exempt employees who were employed by Defendants during the PAGA Period (January 31, 2019 to July 19, 2023) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendants to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendants’ records, your Individual Class Payment is estimated to be \$_____ (subject to wage withholdings) and your Individual PAGA Payment is estimated to be \$_____. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then, according to Defendants’ records, you are not eligible for an Individual PAGA Payment under the Settlement because you did not work during the PAGA Period.)

The above estimates are based on Defendants’ records showing that **you worked** _____ **workweeks** during the Class Period and **you worked** _____ **pay periods** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See **Section 4** of this Notice.

The Court has preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected, depending upon whether or not you take any actions in response to this Notice. Read this Notice carefully. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff, Plaintiff’s attorneys (“Class Counsel”), and the Class. If the Court finally approves the Settlement, it will enter a judgment that requires Defendants to make payments under the Settlement and requires Participating Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

If you worked for Defendants during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You do not have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendants.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting a written Request for Exclusion or otherwise notifying the Administrator in writing that you wish to exclude yourself. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however,

preserve your right to personally pursue wage claims arising during the Class Period against Defendants, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement and will receive an Individual PAGA Payment even if you submit a Request for Exclusion.

Defendants will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Do Not Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but you can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____, at ____ a.m. / p.m. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Pay Periods you worked according to Defendants' records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendants. The Action accuses Defendants of violating California labor laws by failing to pay all minimum, straight time, overtime, and double time wages, provide lawful meal and rest breaks, provide accurate wage statements, and pay all wages due upon separation. Based on the same claims, Plaintiff also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*) (“PAGA”). Plaintiff is represented in the Action by the attorneys of Moon Law Group, PC, Daily Aljian LLP, and Law Office of Daniel J. Hyun (collectively “Class Counsel.”). The contact information for Class Counsel is in **Section 9** of this Notice.

Defendants strongly deny violating any laws or failing to pay any wages and contend they complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendants or Plaintiff is/are correct on the merits. During the lawsuit, however, Plaintiff and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an end to the case by agreement (*i.e.*, to settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendants have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) the Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendants Will Pay \$629,000.00 as the Gross Settlement Amount (Gross Settlement). Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement no later than 14 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$209,666.66 (one-third of the Gross Settlement) to Class Counsel for attorneys’ fees and up to \$30,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$10,000.00 to Plaintiff as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only amount Plaintiff will receive other than Plaintiff’s Individual Class Payment and any Individual PAGA Payment.

- C. Up to \$12,500.00 to the Administrator for services administering the Settlement.
- D. Up to \$30,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment (\$22,500.00) and 25% in Individual PAGA Payments (\$7,500.00) to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions, and the Court will consider all objections.

- 3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their number of Workweeks during the Class Period.
- 4. Taxes Owed on Payments to Class Members. Plaintiff and Defendants are asking the Court to approve an allocation of 33.33% of each Individual Class Payment to taxable wages (“Wage Portion”) and 66.67% to interest, and penalties (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes they owe on the Wage Portion.). The Individual PAGA Payments are treated as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms, to the extent required by law.

Although Plaintiff and Defendants have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

- 5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name.

If the money represented by your check is sent to the California Controller’s Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

- 6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [OPT OUT DATE], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [OPT OUT DATE] Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against Defendants.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the facts alleged in the Action.

- 7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.
- 8. Administrator. The Court has appointed a neutral company, Phoenix Class Action Administration Solutions (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member challenges over Workweeks,

Aggrieved Employee challenges over Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in **Section 9** of this Notice.

9. Participating Class Members' Release. After the Judgment is final and Defendants have fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants, the Released Parties, or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Defendants and Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action including all claims for unpaid wages, including but not limited to, failure to pay minimum wages, straight time compensation, overtime, and double time compensation, and interest; failure to timely pay regular and final wages; failure to provide meal and rest periods or provide premium pay; failure to provide accurate itemized wage statements; failure to keep accurate records of wages paid and hours worked; declaratory relief; unfair business practices; statutory and other penalties, including recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs ("Released Claims"). The Released Claims expressly exclude any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendants have paid the Gross Settlement and separately paid the employer-side payroll taxes, all Aggrieved Employees will be barred from asserting PAGA claims against Defendants and Released Parties, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including Participating Class Members and Non-Participating Class Members who opted-out of the Class portion of the Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants, Released Parties, or related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

11. The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, Defendants and Released Parties from all claims for PAGA penalties during the PAGA Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice and ascertained in the course of the Action including, any and all claims for PAGA Penalties involving any alleged unpaid wages, including but not limited to failure to pay minimum wages, straight time compensation, overtime, and double time compensation; failure to timely pay regular and final wages; failure to provide meal and rest periods or provide premium pay; failure to provide accurate itemized wage statements; failure to keep accurate records of wages paid and hours worked; and attorneys' fees and costs.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class

Member.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$7,500.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks that you were employed by Defendants during the Class Period and the number of PAGA Pay Periods that you were employed by Defendants during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until [OPT OUT DATE] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. **Section 9** of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of Workweeks and/or Pay Periods based on their records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendants' Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

To opt out, you must submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request to be excluded. Be sure to personally sign your request, identify the Action as *Lopez, et al. v. New Star F Inc., et al.*, Los Angeles Superior Court, Case No. 20STCV04625, and include your identifying information (full name, present address, and telephone number). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [OPT OUT DATE], or it will be invalid. Section 9 of the Notice has the Administrator's contact information.**

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendants are asking the Court to approve. At least 16 court days before the [FINAL APPROVAL HEARING DATE] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount

Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in **Section 9** of this Notice) will send you copies of these documents at no cost to you. You can also view information about the Final Approval Hearing and this Class Notice on the Administrator's Website _____ (url) _____.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [OUT DATE]**. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Lopez, et al. v. New Star F Inc., et al.*, Los Angeles Superior Court, Case No. 20STCV04625 and include your name, current address, telephone number, and approximate dates of employment with Defendants, and sign the objection. **Section 9** of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See **Section 8** of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [**FINAL APPROVAL HEARING DATE**] at _____ a.m. / p.m. in Department 11 of the Spring Street Courthouse of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comments from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement is to contact Class Counsel identified below. Information about the Final Approval Hearing, this Class Notice, and the Judgment will be available on the Administrator's website at _____ (url) _____. You can also consult the Superior Court website (<http://www.lacourt.org/casesummary/ui/index.aspx>) and enter the Case Number for the Action, Case No. 20STCV04625. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

MOON LAW GROUP, PC

Kane Moon

kmoon@moonlawgroup.com

H. Scott Leviant

hsleviant@moonlawgroup.com

Mariam Ghazaryan

mghazaryan@moonlawgroup.com

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LAW OFFICE OF DANIEL J. HYUN

Daniel J. Hyun

dh@danielhyunlaw.com

1100 West Town and Country Road, Suite 1250

Orange, California 92868

Telephone: (949) 590-4122

Settlement Administrator: Phoenix Settlement Administrators

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check.

If your check is already void, you should consult the Unclaimed Property Fund (https://www.sco.ca.gov/upd_msg.html) for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.