

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into by and between Plaintiff Elizabeth Stacy (“Plaintiff”) and Defendant Branded Group, Inc. (“Branded Group”). Plaintiff and Branded Group collectively are referred to in this Agreement as the “Parties.”

I. DEFINITIONS

The terms below have the following meaning in this Agreement:

- A. “Action” means Case No. BCV-21-100443 in the Superior Court for the State of California, County of Kern.
- B. “Class” means all current and former hourly-paid Branded Group’s employees who have worked in California at any time between July 16, 2016 and the Preliminary Approval of the Settlement or May 17, 2021, whichever occurs first.
- C. “Class Counsel” means Douglas Han, Shunt Tatavos-Gharajeh, and Phillip D. Song of the Justice Law Corporation.
- D. “Class Counsel Fees and Costs Payment” means the amount awarded to Class Counsel by the Court as compensation for attorneys’ fees and litigation expenses incurred in connection with the Action, including pre-filing investigation, filing of the Action and all related litigation activities, mediating the Action, class outreach and damages analysis, negotiating this Settlement, and all post-Settlement compliance procedures and monitoring same.
- E. “Class Data” means, for each Class Member, his or her name; last-known mailing address and telephone number; social security number; and Individual Work Days.
- F. “Class Member” is a member of the Class.
- G. “Class Notice” means the Notice of Class Action Settlement attached and incorporated as Exhibit A of this Agreement.
- H. “Class Period” means the period from July 16, 2016 until the Court grants Preliminary Approval of the Settlement or May 17, 2021, whichever occurs first.
- I. “Class Representative” means Elizabeth Stacy.
- J. “Class Representative Payment” means the payments to be approved by the Court to Plaintiff in his capacity as Class Representative to compensate her for initiating the Action, performing work in support of the Action, and undertaking the risk of liability for attorneys’ fees and expenses in the event she was unsuccessful in the prosecution of the Action.
- K. “Court” means the Superior Court for the State of California, County of Kern.
- L. “Effective Date” means the date the Judgment becomes Final.

- M. “Final” means that the Settlement has been finally approved by the Court and either: (i) if no objections or Plaintiff-in-intervention, the date of service of Notice of Entry of the Order Granting Final Approval; or (ii) if an appeal is filed, the Court of Appeal or the California Supreme Court has rendered a final judgment affirming the Court’s final approval of the Settlement without material modification, and the applicable date for seeking further appellate review has passed.
- N. “Final Approval Hearing” means the hearing to be conducted by the Court to determine whether to finally approve the terms of this Agreement.
- O. “Gross Settlement Amount” means the amount of Four Hundred Fifty Thousand Dollars (\$450,000) that Branded Group will pay under this Agreement. Other than any employer-side payroll taxes, this amount includes all payments required of Branded Group under the Settlement and therefore represents the maximum amount of money that Branded Group will pay pursuant to the terms herein.
- P. “Individual Work Days” means the number of work days of each Class Member during the Class Period, as reflected by Branded Group’s business records. Approximations and averages will be used to cover periods where data is missing or otherwise not available.
- Q. “Judgment” means the Order Granting Final Approval of Class Action Settlement and Entering Final Judgment entered by the Court.
- R. “Non-Participating Class Member” means a Class Member who submits a valid and timely Request Not to Participate in Settlement.
- S. “PAGA Payment” means payment of \$50,000 in settlement of the Private Attorneys General Act (“PAGA”) cause of action in the Action, of which 75% will be paid to the Labor Workforce Development Agency (“LWDA”) and 25% will be paid to the Participating Class Members.
- T. “Participating Class Member” means a Class Member who does not submit a valid and timely Request Not to Participate in Settlement.
- U. “Branded Group’s Counsel” means Yvette Davis and William Ireland of Haight Brown & Bonesteel LLP.
- V. “Preliminary Approval of the Settlement” means the Court’s preliminary approval of the Settlement without material change.
- W. “Request Not to Participate in Settlement” means a written and signed request for exclusion, or to opt-out of, the Settlement, which is submitted to the Settlement Administrator according to the terms set forth in Section III.E.4.b.
- X. “Settlement” means the resolution of the Action and all related claims effectuated by this Agreement.

- Y. “Settlement Administrator” means the administrator appointed by the Court to administer the Settlement. The “Settlement Administrator Payment” shall be the amount of the payment to the Settlement Administrator as approved by the Court.
- Z. “Settlement Fund” means the Gross Settlement Amount minus the Class Counsel Fees and Costs Payment, the Class Representative Payment, the PAGA Payment, and the Settlement Administrator Payment.
- AA. “Settlement Share” means each Participating Class Member’s share of the Settlement Fund as provided by this Agreement.
- BB. “Total Work Days” means the sum total of all Individual Work Days (as defined herein) for all Participating Class Members during the Class Period.

II. RECITALS

- A. On July 15, 2020, Elizabeth Stacy filed a Private Attorneys General Act lawsuit.
- B. Before initiating formal litigation, the Parties agreed to explore settlement and immediately exchanged data informally and set up a mediation.
- C. On February 4, 2021, the parties participated in a mediation presided over by Deborah Saxe. The mediation was conducted at arms-length. During the mediation, each side, represented by its respective counsel, agreed to settle the Action and all other matters covered by this Agreement pursuant to the terms and conditions of this Agreement.
- D. On March 1, 2021, Elizabeth Stacy filed a class action Complaint against Defendant alleging that Branded Group engaged in various violations of the California Labor Code and Business and Professions Code.
- E. This Agreement represents a compromise and settlement of disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Branded Group that the claims in the Action have merit or that Branded Group bears any liability to Plaintiff or the Class on those claims or any other claims.
- F. The Parties agree that sufficient investigation and discovery has been conducted to sufficiently evaluate the strengths and weaknesses of their respective claims and defenses and to recommend this Settlement to the Class and to the Court.
- F. The parties will stipulate to class certification of the Action for purposes of settlement only.

Based on these Recitals, the Parties agree as follows:

III. SETTLEMENT TERMS AND CONDITIONS

- A. **Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the Gross Settlement Amount that Branded Group will pay under this Settlement is \$450,000 (Four Hundred Fifty Thousand Dollars). All of the Gross Settlement Amount will be disbursed pursuant to this Agreement, and none of it will revert to Branded Group.
- B. **Settlement Payments.** Subject to the terms and conditions of this Agreement, and except as set forth below, Branded Group shall make the following payments through the Settlement Administrator:
1. **To Plaintiff:** In addition to his respective Settlement Share, Plaintiff will apply to the Court for an award of \$10,000 as the Class Representative Payment. Branded Group will not oppose a Class Representative Payment in this amount. If the Court approves a Class Representative Payment of less than the amount requested, the difference will be placed in the Settlement Fund for distribution to Participating Class Members. The Class Representative Payment approved by the Court shall be paid by the Settlement Administrator from the Gross Settlement Amount. Payroll tax withholdings and deductions will not be taken from the Class Representative Payment, but an IRS Form 1099 will be issued to Plaintiff with respect to the Class Representative Payment.
 2. **To Class Counsel:** Class Counsel will apply to the Court for an award of \$171,000 or 38% of the Gross Settlement Amount, together with reasonable costs not to exceed \$15,000, as the Class Counsel Fees and Costs Payment. Branded Group will not oppose this request. If the Court approves a Class Counsel Fees and Costs Payment less than the amount requested by Class Counsel, the difference will be placed in the Settlement Fund for distribution to Participating Class Members. The Class Counsel Fees and Costs Payment approved by the Court shall be paid by the Settlement Administrator from the Gross Settlement Amount. Settlement Administrator may purchase an annuity to utilize US treasuries and bonds or other attorney fee deferral vehicles for Class Counsel. Payroll tax withholdings and deductions will not be taken from the Class Counsel Fees and Costs Payment, but an IRS Form 1099 will be issued to Class Counsel. As a condition of payment, Class Counsel will be required to furnish the Settlement Administrator its tax identification number.
 3. **To the LWDA and the Class on The PAGA Payment.** From the Gross Settlement Amount, the Settlement Administrator shall pay 75% of the PAGA Payment approved by the Court to the LWDA and 25% to the Participating Class Members.

4. **To the Settlement Administrator.** From the Gross Settlement Amount, the Settlement Administrator will pay itself its reasonable fees and expenses, as approved by the Court, in an amount not to exceed ten thousand dollars (\$10,000.)
 5. **To Each Participating Class Member.** The Settlement Administrator will pay out of the Settlement Fund each Participating Class Member's Settlement Share as determined below.
- C. **Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay a Settlement Share from the Settlement Fund to each Participating Class Member.
1. **Calculation.** The Settlement Share for each Participating Class Member will be calculated as follows:
 - a. The percentage share of the Settlement Fund to be paid to each Participating Class Member will be determined by dividing the number of Individual Work Days of each Participating Class Member during the Class Period by the Total Work Days of all the Participating Class Members during the Class Period.
 2. **Allocation and Withholding.** One-third (33.3%) of each Participating Class Member's Settlement Share shall be considered to be in settlement of wage claims (the "Wage Portion") and shall be subject to wage tax withholdings and reported on a Form W-2. Two-third (66.6%) of each Participating Class Member's Settlement Share shall be considered to be in settlement of claims for interest, penalties, and reimbursements and shall not be subject to wage tax withholdings but shall be reported on IRS Form 1099.
 3. **Effect of Non-Participating Class Members.** Non-Participating Class Members will receive no Settlement Share, and their request not to participate will reduce neither the Gross Settlement Amount nor the Settlement Fund. Their respective Settlement Shares will be retained in the Settlement Fund for distribution to Participating Class Members.
- D. **Appointment of Settlement Administrator.** Plaintiff will ask the Court to appoint CPT Group, Inc., a qualified administrator, to serve as the Settlement Administrator, which, as a condition of appointment, will agree to be bound by this Agreement with respect to the performance of its duties and its compensation. The Settlement Administrator's duties will include preparing, translating, printing, and mailing the Class Notice to all Class Members; conducting a National Change of Address search on all Class Members, as needed, whose names and contact information are submitted before the initial Class Notice mailing; conducting skip tracing on any Class Notice returned by the U.S. Postal Service as non-deliverable, as needed, and re-mailing the Class Notice to the Class Member's new address; providing the Parties with weekly status reports about the delivery of Class Notices

and receipt of objections to and Requests Not to Participate in the Settlement; calculating Settlement Shares; estimating amounts of Settlement Shares for inclusion in the Class Notice; addressing any disputes by the Participating Class Members relating to their estimated Settlement Shares; issuing the checks to effectuate the payments due under the Settlement; issuing the tax reports required under this Settlement; and otherwise administering the Settlement pursuant to this Agreement. After consultation with Class Counsel and Branded Group's Counsel, the Settlement Administrator will have the final authority to resolve all disputes concerning the calculation of a Participating Class Member's Settlement Share, subject to the dollar limitations set forth in this Agreement. The Settlement Administrator's reasonable fees and expenses, including the cost of printing and mailing the Class Notice, will be paid out of the Gross Settlement Amount in an amount not to exceed \$10,000. Class Counsel shall be responsible for hiring and supervising the Settlement Administrator.

E. Procedure for Approving Settlement.

- 1. Motion for Conditional Certification of Class and Preliminary Approval of Settlement by the Court.**
 - a. Plaintiff will file, and Branded Group will not oppose, a reasonable motion for an order conditionally certifying the Class, giving Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Class Notice (the "Motion for Preliminary Approval").
 - b. At the hearing on the Motion for Preliminary Approval, the Parties' counsel will appear and support the granting of the motion, and Plaintiff's counsel will submit an Order Granting Conditional Certification of Class and Preliminary Approval of Settlement; Approving Class Notice and Related Materials; Appointing Settlement Administrator; and Scheduling Final Approval Hearing.
 - c. Should the Court decline to certify the Class or to preliminarily approve all material aspects of the Settlement without granting leave to correct any material or non-material aspects, this Agreement will be null and void and the Parties will have no further obligation hereunder. However, the Parties shall have no right to void the Agreement solely on the basis that the Court alters the agreed-upon allocation of each Participating Class Member's Settlement Share between wage claims and non-wage claims described in Section III.C.2.
- 2. Notice to Class Members.** After the Court enters its Order granting Preliminary Approval of the Settlement, Class Members will be provided with the Class Notice as follows:

- a. All Class Members will receive a Class Notice in the form evidenced by Exhibit A (other than formatting changes to facilitate printing by the Settlement Administrator). The Class Notice will be tailored for each individual and have pre-printed information regarding that individual's name, contact information, and the number of Individual Work Days during the Class Period from which the Settlement Share of the individual Class Member will be calculated. The Class Notice will be enclosed in an envelope in the form evidenced by Exhibit B.
- b. Within 10 (ten) court days after the Court enters its Order granting Preliminary Approval of the Settlement, Branded Group will provide the Settlement Administrator the Class Data necessary to calculate each Class Member's individual Settlement Share. All information provided the Settlement Administrator will remain confidential and will not be disclosed to anyone, except as required to applicable taxing authorities, or pursuant to Branded Group's express written authorization, or by Order of the Court.
- c. Upon receiving the Class Data, the Settlement Administrator will, as needed, conduct a National Change of Address search on all Class Members whose names and contact information are included in the Class Data. Thereafter, the Settlement Administrator shall no later than 14 calendar days after receiving the Class Data, mail the Class Notices to all Class Members via first-class regular U.S. Mail.
- d. If a Class Notice is returned because of an incorrect address, the Settlement Administrator will promptly, and not longer than five days from receipt of the returned packet, conduct a search for a more current address for the Class Member and re-mail the Class Notice to the Class Member. In doing so, the Settlement Administrator shall be responsible for taking reasonable steps, consistent with its agreed-upon job parameters, Court Orders, and fee, as agreed to with Class Counsel and according to the following deadlines, to trace the mailing address of any Class Member for whom a Class Notice is returned by the U.S. Postal Service as undeliverable. These reasonable steps shall include, as needed, the tracking of all undelivered mail; performing skip trace address searches for all returned mail; and promptly re-mailing the Class Notice to Class Members for whom new addresses are found. If the Class Notice is re-mailed, the Settlement Administrator will note for its own records and notify Class Counsel and Branded Group's Counsel of the date and address of each such re-mailing as part of its weekly status report provided to the Parties. Class Counsel and Branded Group's Counsel will be entitled to receive from the Settlement Administrator any updated address information about a Class Member as the Settlement Administrator obtains such information.

- e. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Branded Group's Counsel of objections and Requests Not to Participate in Settlement that it receives.
- f. Not later than ten (10) Court days before the date by which Plaintiff file a motion for final approval of the Settlement, the Settlement Administrator will serve on the Parties and Class Counsel will file with the Court a declaration of due diligence setting forth its compliance with its obligations under this Agreement. Prior to the Final Approval Hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

3. **Disputing Information in Class Notice.**

- a. Class Members will have the opportunity to challenge the Class Data pre-printed on their individualized Class Notice by submitting via first class mail, postmarked no later than 45 days after the date on which the Settlement Administrator mails the Class Notices, a written challenge along with supporting documentation to the Settlement Administrator. If Class Notice is re-mailed to a Class Member pursuant to Section III.E.2.d herein, any written challenge of that Class Member to the Class Data shall be submitted to the Settlement Administrator via first class mail, postmarked no later than 45 days after the Class Notice was re-mailed to the Class Member. Any challenges to the information pre-printed on the Class Notice must be supported by documentary evidence; the Settlement Administrator will reject any challenge not supported by such evidence. In the event of such a dispute, Branded Group will review its records to verify the correct information. Branded Group's records will have a rebuttable presumption of correctness. After consultation with Class Counsel, the Class Member and Branded Group's Counsel, the Settlement Administrator will make a determination regarding the disputed information and that determination will be final, binding on the Parties and the Class Member, and non-appealable.
- b. In the event that a challenge to the Class Data is timely submitted, but is deficient in one or more respects, the Settlement Administrator will notify the Class Member within seven (7) calendar days of receipt explaining any deficiency and stating that the Class Member will have ten calendar days from the date of the deficiency notice to correct the deficiency and resubmit the challenge. The envelope containing the resubmitted challenge must be postmarked within fifteen (15) calendar days of the date of the deficiency notice to be considered timely, absent a showing of good cause. If necessary, the Class Member will be sent a second deficiency notice to correct any deficiency concerning a challenge,

which will be governed by the same timeliness requirements as the first deficiency notice.

4. **Objections to Settlement; Requests Not to Participate in Settlement.** Class Members may submit written objections to the Settlement or alternatively, Requests Not to Participate in Settlement pursuant to the following procedures:

- a. **Objections to Settlement.** The Class Notice will provide that Class Members who wish to object to the Settlement must submit to the Settlement Administrator, by First Class Mail postmarked no later than 45 days after the Settlement Administrator mails the Class Notices, a written objection to the Settlement setting forth all factual and legal grounds for the objection with supporting documents, if any. If Class Notice is re-mailed to a Class Member pursuant to Section III.E.2.d herein, any written objection of that Class Member to the Settlement shall be submitted to the Settlement Administrator by first class mail, postmarked no later than 45 days after the Settlement Administrator re-mailed the Class Notice to that Class Member. The Settlement Administrator will immediately email Class Counsel and Branded Group's counsel a copy of any objections it receives. Class Counsel will lodge a copy of any objection with the Court. Only those Class Members who do not submit a Request Not to Participate in Settlement may object to the Settlement. A Class Member who does not submit a written objection in the manner and by the deadline specified above will be deemed to have waived any objections and will be foreclosed from making any objections (whether by appeal or otherwise) to the Settlement. A Class Member may hire an attorney to appear on his/her behalf at the Final Approval Hearing, at his or her own expense.
- b. **Request Not to Participate in Settlement.** The Class Notice will provide that Class Members may exclude themselves from the Settlement by mailing to the Settlement Administrator a signed Request Not to Participate in Settlement, postmarked no later than 45 days after the Settlement Administrator mails the Class Notices. If Class Notice is re-mailed to a Class Member pursuant to Section III.E.2.d herein, any written Request Not to Participate in Settlement by that Class Member shall be submitted to the Settlement Administrator by first class mail, postmarked no later than 10 days after the Settlement Administrator re-mailed the Class Notice to that Class Member. To be effective, any Request Not to Participate in Settlement must contain: the Class Member's name, last four digits of his or her social security number, address, telephone number, and dated signature along with a written statement that the Class Member wants to be excluded from the Settlement. If a question is

raised about the authenticity of a signed Request Not to Participate in Settlement, the Settlement Administrator will have the right to demand additional proof of the Class Member's identity. A Non-Participating Class Member will not participate in or be bound by the Settlement and the Judgment. A Class Member who does not complete and mail a valid Request Not to Participate in Settlement in the manner and by the deadline specified above will automatically become a Participating Class Member and be bound by all terms and conditions of the Settlement, including its release of claims, if the Settlement is approved by the Court, and by the Judgment.

- c. **Report.** Settlement Administrator will provide Class Counsel and Branded Group's Counsel a weekly report with information setting forth the number of Participating Class Members, the number of objections, and the number of Non-Participating Class Members.

- 5. **Branded Group's Right to Void Agreement.** If 10% or more members of the putative Class submit Requests Not to Participate in Settlement, Branded Group may, at its option, void this Agreement and the Parties then will have no further obligation hereunder, including any obligation by Branded Group to pay the Gross Settlement Amount or any amount that otherwise would have been owed under this Agreement, except that Branded Group then would pay the Settlement Administrator's reasonable fees and expenses incurred as of the date that Branded Group voids this Agreement. Branded Group will notify Class Counsel and the Court whether it is exercising its right to void this Agreement not later than 30 calendar days after the Settlement Administrator notifies the Parties regarding the number of valid Requests Not to Participate in Settlement that it has received. If Branded Group exercises this option, it will be responsible for any costs then incurred by the Settlement Administrator.

- 6. **No Solicitation of Objection or Request Not to Participate.** Neither the Parties nor their respective counsel will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, appeal from the Judgment, or elect not to participate in the Settlement. This provision does not foreclose Class Counsel from providing information about the Settlement to any inquiring Class Members, including advice related to their participation in the Settlement.

- 7. **Additional Briefing and Final Approval.**

- a. Not later than 16 Court days before the Final Approval Hearing, or another date to be set by the Court, Plaintiff will file, and Branded Group agrees not to oppose, a reasonable motion for final approval of the Settlement, award of the Class Representative Payment, award of the Class Counsel Fees and Costs Payment, award of the PAGA Payment, and payment of the Settlement Administrator's reasonable fees and expenses. As part of the motion, Plaintiff will

file the Settlement Administrator's Report provided for in Section III.E.4.c.

- b. If the Court does not grant final approval of the Settlement or grants final approval conditioned on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Participating Class Members), then this Agreement will be null and void and the Parties will have no further obligation hereunder, including any obligation by Branded Group to pay the Gross Settlement Amount or any amount that otherwise would have been owed under this Agreement. If such an event occurs, Plaintiff and Branded Group shall each pay 50% of the Settlement Administrator's reasonable fees and expenses incurred as of the date that the Agreement becomes void under this paragraph. An award by the Court of a lesser amount than that sought for the Class Representative Payment or the Class Counsel Fees and Costs Payment – or an increase in the amount of the PAGA Payment – will not constitute a material change to the Settlement within the meaning of this paragraph.
 - c. Upon final approval of the Settlement by the Court at or after the Final Approval Hearing, the Parties will present for the Court's approval and entry the Judgment. After entry of the Judgment, the Court will have continuing jurisdiction over the Action and the Settlement solely for purposes of: (i) enforcing this Agreement; (ii) addressing settlement administration matters; and (iii) addressing such post-Judgment matters as may be appropriate under Court rules or applicable law.
8. **Waiver of Right to Appeal.** Provided that the Judgment is consistent with the terms and conditions of this Agreement, Plaintiff and Participating Class Members who did not timely submit an objection to the Settlement, Branded Group, and their respective counsel hereby waive any and all rights to appeal from the Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate judgment, a motion for new trial, a motion under California Code of Civil Procedure section 473, and any extraordinary writ, and the Judgment therefore will become final and nonappealable at the time it is entered. The waiver does not include any waiver of the right to oppose any appeal, appellate proceedings or post-judgment proceedings.
9. **Vacating, Reversal, or Material Modification of Judgment on Appeal or Review.** If, after a notice of appeal, a petition for review, or a petition for *certiorari*, or any other motion, petition, or application, the reviewing Court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement (including, but not limited to, the scope of release to be granted by Participating Class Members), and the reviewing Court's decision is not completely reversed and the Judgment is

not fully affirmed on review by a higher Court, then either Plaintiff or Branded Group will have the right to void the Settlement, which the Party must do by giving written notice to the other Party, the reviewing Court, and the Court no later than fourteen calendar days after the reviewing Court's decision vacating, reversing, or materially modifying the Judgment becomes Final. A vacation, reversal, or modification of the Court's award of the Class Representative Payment, the Class Counsel Fees and Costs Payment, or the PAGA Payment will not constitute a vacation, reversal, or material modification of the Judgment within the meaning of this paragraph, provided that Branded Group's total payment obligation under the Settlement does not exceed the Gross Settlement Amount.

10. **Funding of Settlement.** Within 21 calendar days after the Order by the Court granting final approval of the Settlement without material change, Branded Group will provide the Settlement Administrator with the Gross Settlement Amount. If the twenty-first calendar day is a weekend or holiday, the deposit shall be made by the next business day thereafter. Those funds shall be deposited into a Qualified Settlement Fund to be managed by the Settlement Administrator. If after a notice of appeal, a petition for review, or a petition for *certiorari*, or any other motion, petition, or application, the reviewing Court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement (including, but not limited to, the scope of release to be granted by Participating Class Members), then all amounts in the Qualified Settlement Fund – including any accrued interest – will be returned to Branded Group. In no event will the funding of the Settlement occur before the fourth quarter of 2020.
11. **Timing of Provision of Settlement Shares.** Within 7 business days after the funding of the Settlement, the Settlement Administrator will pay the Settlement Shares to Participating Class Members, the Class Representative Payment to Plaintiff, the PAGA Payment, and the Class Counsel Fees and Costs Payment to Class Counsel, minus whatever holdback provision the Court orders.
12. **Uncashed Settlement Share Checks.**
 - a. A Participating Class Member must cash his or her Settlement Share check within 180 days after it is mailed to him or her. If a check is returned to the Settlement Administrator, the Settlement Administrator will make all reasonable efforts to re-mail it to the Participating Class Member at his or her correct address. If a Participating Class Member's Settlement Share check is not cashed within 150 days after its last mailing to the Participating Class Member, the Settlement Administrator will send the Participating Class Member a postcard informing him or her that unless the check is cashed in the next 30 days, it will expire and become non-

negotiable, and offer to replace the check if it was lost or misplaced but not cashed.

- b. If any settlement checks are not cashed within 180 days after mailing, the remaining residual shall thereafter be paid to the State Controllers' Office in accordance with California Unclaimed Property Law so that the Participating Class Member will have his or her Individual Settlement Share available to him or her per the applicable claim procedure to request that money from the State of California

F. Release of Claims.

1. **Participating Class Members.** Upon final approval of the Settlement by the Court, and except as to such rights as may be created by this Agreement, Plaintiff and each Participating Class Member fully release and discharge Branded Group and its past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys from all claims that were pled in the Action, together with all claims demands, rights, liabilities, statutory and/or civil penalties, and causes of action that were asserted in the Action, or in the Notice of Labor Code Violations sent to the Department of Industrial Relations, based on and/or that could have been asserted based on the factual allegations in the Action. This release covers the Class Period.
2. **Class Counsel.** Upon final approval of the Settlement by the Court, and except as otherwise provided by this Agreement, Class Counsel waives any claim to attorneys' fees and costs against Branded Group arising from or related to the Action. Except with respect to the Class Counsel Fees and Costs Payment approved by the Court, Branded Group shall not pay any of Class Counsel's attorneys' fees or costs.
3. **Plaintiff.** Plaintiff waives and release Branded Group and its past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys (the "Released Parties") from all claims, rights, demands, causes of action, damages, and penalties, whether civil or statutory, known or unknown, that she has or had against any of the Released Parties prior to their execution of this Agreement. Plaintiff expressly waives the provisions, rights and benefits of section 1542 of the California Civil Code, which states:

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

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

- G. **No Effect on Other Benefits.** This Agreement shall not be construed to require Branded Group to make any deduction or payment to any insurance, retirement, 401(k), profit-sharing or any other employee benefit plan or union relating to its payment of monies under this Settlement. Plaintiff and Participating Class Members will be deemed to have waived all such claims, whether known or unknown by them, as part of their release of claims under this Agreement. The Wage Portion of the Settlement Shares shall not be considered wages for any purpose unrelated to this Agreement.

H. **Miscellaneous Terms.**

1. **No Admission of Liability or Class Certification for Other Purposes.**

- a. Branded Group denies that it has engaged in any unlawful activity, has failed to comply with the law in any respect, has any liability to anyone under the claims asserted in the Action, or that but for the Settlement a class should be certified in the Action. This Agreement is entered into solely for the purpose of compromising disputed claims. Nothing in this Agreement is intended or will be construed as an admission of liability or wrongdoing by Branded Group. Since this is a settlement of bona fide disputed claims, Labor Code Section 206.5 is not applicable.
- b. Whether or not the Judgment becomes Final, neither the Settlement, this Agreement, any document, statement, proceeding or conduct related to the Settlement or the Agreement, nor any reports or accounting of those matters, will be: (i) construed as, offered or admitted in evidence for any purpose adverse to Branded Group or any of the Released Parties, including but not limited to evidence of a presumption, concession, indication or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession or damage; or (ii) disclosed, referred to or offered in evidence in any civil, criminal or administrative action or proceeding, except for purposes of effectuating the Settlement pursuant to this Agreement.
- c. This section and all other provisions of this Agreement notwithstanding, any and all provisions of this Agreement may be admitted in evidence and otherwise used in any and all proceedings to enforce any or all terms of this Agreement, or in defense of any claims released or barred by this Agreement.

2. **Integrated Agreement.** This Agreement constitutes the entire agreement between the Parties relating to the Settlement, and no oral representations, warranties, covenants, or inducements have been made to any Party

concerning this Agreement or the Settlement other than the representations, warranties, covenants, and inducements expressly set forth in this Agreement.

3. **Attorney Authorization.** Class Counsel and Branded Group's Counsel warrant and represent that they are authorized by Plaintiff and Branded Group, 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 required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of Deborah Saxe and/or the Court.
4. **Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties.
5. **Agreement Binding on Successors.** This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties and Participating Class Members.
6. **Applicable Law.** All terms and conditions of this Agreement and its Exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.
7. **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.
8. **Fair Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors.
9. **Headings.** The descriptive heading of any section or paragraph of this Agreement is inserted for reference only and does not constitute a part of this Agreement.
10. **Publicity.** Neither side shall publicize the settlement, including but not limited to communications through any social media and/or any professional organization such as CELA, regarding this matter unless so ordered by the Court.

11. **Notice.** All notices, demands or other communications given under 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, addressed as follows:

To Plaintiff and the Class:

Douglas Han
Shunt Tatavos-Gharajeh
Daniel J. Park
JUSTICE LAW CORPORATION
751 N. Fair Oaks Avenue, Suite 101
Pasadena, California 91103

To Branded Group, Inc.:

Yvette Davis
William Ireland
HAIGHT BROWN & BONESTEEL
LLP
2050 Main Street, Suite 600
Irvine, California 92614

12. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts by facsimile or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts will be deemed to be one and the same instrument.
12. **Enforcement Actions.** In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.
13. **Effect of Increase in Workweeks.** This settlement is based on data provided by Defendant, which shows that, for the period of July 16, 2016, through approximately February 1, 2021, members of the Class worked approximately 3,944 workweeks. If it is determined that the workweeks through the earlier of Preliminary Approval or May 17, 2021 exceeds 4,338 (3,944, plus 10% of 3,944), the Gross Settlement Amount will be increased by the same number of percentage points above 10% by which the actual number of workweeks exceeds 3,944. For instance, if the actual number of workweeks is determined to be 12%, the Gross Settlement Amount will be increased by 2%.

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: 03/09/2021 _____

By:  _____
Elizabeth Stacy

BRANDED GROUP, INC.

Dated: 3/15/21

By: [Signature]

~~Daniel Carter~~
~~General Counsel~~

Michael Kurtend
CEO

APPROVED AS TO FORM AND CONTENT:

JUSTICE LAW CORPORATION

Dated: 3/9/21

By: [Signature]

Douglas Han
Attorneys for Plaintiff

HAIGHT BROWN & BONESTEEL LLP

Dated: 3/15/21

By: [Signature]

Yvette Davis
William Ireland
Attorneys for Defendant
BRANDED GROUP, INC.

EXHIBIT A

CLASS NOTICE FOR MAILING

NOTICE OF CLASS ACTION SETTLEMENT

If you have worked for BRANDED GROUP, INC. as an Hourly-Paid Employee in California at any time from July 16, 2016 to _____, you could receive money from a class action settlement.

A Court authorized this Notice. This is not a solicitation from a lawyer.

- A settlement has been reached in a class action lawsuit that affects your rights.
- The settlement resolves a class action lawsuit against Branded Group, Inc. (“Branded Group” or the “Company”) alleging that Branded Group failed to pay wages owing, including minimum and overtime wages, failed to provide employees meal and rest periods, failed to pay all wages including vacation at termination, failed to reimburse expenses, and failed to provide accurate wage statements.
- The Court has not decided whether to finally approve the settlement. Payments will be made only after the Court approves the settlement and in case of an appeal, when the appeal is resolved.
- The decision whether to participate in, request to be excluded from, and/or object to the settlement is entirely yours. Branded Group will not retaliate against anyone for participating (or not participating) in the settlement.

YOUR RIGHTS AND OPTIONS REGARDING THE SETTLEMENT	
DO NOTHING AND RECEIVE YOUR SHARE OF THE SETTLEMENT AWARD	Do nothing. Automatically receive your settlement award. Release the wage and hour claims referenced herein against Branded Group. See Sections 24-25 below for more information about your settlement award. See Section 26 below for more information about the release.
REQUEST TO BE EXCLUDED FROM THE SETTLEMENT	Ask to be excluded. Receive no payment. See Section 11 below.
OBJECT TO THE TERMS OF THE SETTLEMENT	Serve an objection that the settlement is unfair or inadequate. See Section 12 below.

Please read this Notice carefully. It describes your rights, and the steps you have to take, if any, to receive money from the settlement or to exclude yourself from the settlement.

BASIC INFORMATION

1. Why did I receive this Notice?

Branded Group's employment records show that you were employed as an hourly-paid employee and have worked at least one shift for the Company since July 16, 2016. A settlement has been reached in a class action lawsuit against Branded Group that affects your rights. The Superior Court of California, County of Kern, which is overseeing this class action, ordered that you be sent this Notice.

2. What is this class action about?

This class action, known as *Elizabeth Stacy v. Continental Intermodal Group, LP, dba Branded Group*, Case No. BCV-21-100443, alleges that Branded Group did not pay wages owing, including minimum and overtime wages, did not provide meal and rest periods, did not pay all wages at termination, did not reimburse expenses, did not maintain records, and did not provide accurate wage statements.

3. What does Branded Group contend?

Branded Group strongly denies all of the allegations in the lawsuit. Branded Group contends that it has fully complied with all its legal obligations. Branded Group also contends that the lawsuit could not be maintained as a class action if it was litigated.

4. What is a class action and who is involved?

In a class action lawsuit, one or more people called "Class Representative" sue on behalf of other people who have similar claims. The Class Representative in this lawsuit is Elizabeth Stacy. The employees they represent are the "Class" or "Class Members." The Class Representative and all the Class Members are called the "Plaintiff." Branded Group is called the "Defendant." One Court resolves the issues for everyone in the Class, except for those people who request to exclude themselves from the Class.

5. Why is this lawsuit being settled?

After settlement negotiations and the exchange of information and documents, the Class Representative and Branded Group have agreed to settle this case. The settlement represents a compromise of disputed claims and is in no way an admission that Branded Group violated the law in any way. The Class Representative and her attorneys believe the settlement is in the best interests of the Class given the risks and expense.

6. Has the Court decided who is right?

No. The Court has not decided anything yet, only that you should get a copy of this Notice so that you can review the settlement and determine whether you want to participate in the settlement, object to it, or exclude yourself from the settlement.

7. Who is the Settlement Administrator?

The Settlement Administrator is a third party appointed by the Court to send this Notice, process and issue settlement checks, and otherwise administer the settlement. You may contact the Settlement Administrator to provide updated contact information, make corrections regarding your employment information at Branded Group, or ask questions regarding the processing of settlement awards. You may contact the Settlement Administrator at:

CPT Group, Inc.
Attn: Stacy v. Continental Intermodal Group, LP, dba Branded Group Class Settlement
[INSERT ADDRESS]
[INSERT ADDRESS]
Telephone No.: [INSERT NUMBER]

YOUR RIGHTS AND OPTIONS

8. Am I part of this Class?

In preliminarily approving the settlement, the Court has defined the Class to include all current and former hourly-paid Branded Group employees in California who have worked at any time from July 16, 2016 to _____, and who do not otherwise opt-out of the lawsuit. Records indicate that you are a class member. (If you do not want to be part of this case, read Section 11 below).

9. What does the settlement provide?

The parties have agreed to create a settlement fund to be divided among all Class Members, as discussed below. In return, Class Members who do not timely request to be excluded from the Class will release wage and hour claims they might have against Branded Group that were or could have been raised based on the allegations in the lawsuit. For more information about your estimated payment out of the settlement fund and the way it was calculated, see Sections 24-25 below. For more information about the claims being released as part of the settlement, see Section 26 below.

10. How do I participate in the settlement?

You do not need to do anything to participate. You will automatically receive a settlement payment and release claims against Branded Group unless you request to be excluded from the settlement.

11. How do I request to be excluded from the settlement?

If you wish to be excluded from the settlement, you must write the Settlement Administrator at the address specified above in Section 7 and request to be excluded. Your request must include: (1) your name, (2) the last four digits of your social security number, (3) your address, (4) your telephone number, (5) your written statement that you request to be excluded from the Settlement, and (6) your dated signature. **To be effective, your request must be postmarked no later than <<date>>.**

If you do not complete and timely mail a valid request to be excluded from the settlement, you will be bound by all terms and conditions of the settlement, including its release of claims. If you do submit a timely and valid request to be excluded, you will not receive any money from the settlement and will not be bound by its release of claims.

12. May I object to the settlement?

If you believe the settlement is unfair or inadequate, you may object, personally or through an attorney, at your own expense, by mailing a copy of your objection to the Settlement Administrator at the address set forth above in Section 7. You cannot object to the settlement **and** exclude yourself from the settlement.

Your objection must include: (1) your name, (2) all factual and legal reasons why you object to the settlement, (3) a list of any documents or witnesses you contend support your objection, and (4) your dated signature. **To be effective, your objection must be postmarked no later than <<date>>. Do not telephone the Court or Branded Group's counsel.**

If the Court rejects your objection, you will be bound by the terms of the settlement and you will not be able to exclude yourself from the settlement.

13. When is the final approval hearing?

A final approval hearing on the fairness and adequacy of the proposed settlement will be held on , 20__ at __:00 __.m. in Department 11 of the Superior Court of California for the County of Kern, located at 1415 Truxton Avenue, Bakersfield, California 93301. The final approval hearing may be continued without further notice. If the settlement is not approved, the lawsuit will continue.

14. When will I receive my payment?

Payments will be sent approximately 35 days after the Court gives the settlement its final approval, unless an appeal is filed. If an appeal is filed, payments will be delayed until all appeals are finally resolved in favor of the settlement.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this case?

The Court has determined that Douglas Han, Shunt Tatavos-Gharajeh, and Phillip D. Song of Justice Law Corporation are qualified to represent you and all Class Members. Lawyers for this firm are called “Class Counsel.” They are experienced in handling similar cases. Their contact information is at the end of this Notice.

16. May I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. Nonetheless, you may hire your own lawyer if you wish. If you hire your own lawyer, however, you are responsible for paying that lawyer.

17. How will Class Counsel be paid?

You do not have to pay Class Counsel’s fees and costs. The fees and costs that the Court approves will be paid by Branded Group. More information about the attorneys’ fees and costs is contained in Section 20 below.

TERMS OF THE SETTLEMENT

18. What has Branded Group agreed to do?

Branded Group has agreed to pay a total of \$450,000 (the “Gross Settlement Amount”), which includes the payments to the Class Members, the Class Representative Payment to be paid to the Class Representative, Class Counsel’s Attorney’s Fees and Costs, the PAGA Payment, and the Settlement Administrator’s fees and costs incurred in administering the Settlement. The “Settlement Fund” that will be distributed to the Class Members is the amount of the Gross Settlement Amount, minus the Class Representative Payment, the Class Counsel’s Fees and Costs Payment, the PAGA Payment, and the Settlement Administrator’s Payment.

19. What is a “Class Representative Payment”?

In class actions such as this one, a Court may provide the class representative a “Class Representative Payment” in recognition of the time, effort, and risks the class representative took to prosecute the class action. In the present case, the Settlement provides that the Plaintiff will request the Court approve a Class Representative Payment to Elizabeth Stacy of \$10,000.

20. How much will the attorneys get?

Class Counsel will ask the Court to receive \$171,000 or 38% of the Gross Settlement Amount to pay for their attorneys’ fees incurred in connection with their work in this case, together with

reasonable costs incurred not to exceed \$15,000. Class Members are not personally liable for any fees and costs.

21. How much will it cost to administer the Settlement?

It is estimated that it will cost approximately \$10,000 to fully administer the settlement.

22. How will the Settlement Fund be distributed to Class Members?

The Settlement Fund will be distributed to Class Members as follows:

- The Settlement Fund will be distributed to all Participating Class Members “pro rata” in proportion to the number of work days each Class Member worked from July 16, 2016 through _____ in relation to the total number of work days of all Participating Class Members.
- If any settlement checks are not cashed within 180 calendar days after mailing, that money will be sent to the State Controller’s Office in accordance with California Unclaimed Property Law.

23. Will I have to pay taxes on my award?

One-third (33.3%) of your award will be considered to be wages and will be reported on IRS Form W-2 with all appropriate taxes withheld. The rest of your award will be reported on IRS Form 1099 as payment of interest, penalties, and reimbursement.

You should consult a tax professional for more information about your own specific situation.

24. How will my share of the settlement be calculated?

Your share of the settlement will be calculated pro-rata based on the number of work days you worked between July 16, 2016 and _____. See Section 22 above.

According to Branded Group’s records:

- You worked ___ work days between July 16, 2016 and _____.

If the information above is incorrect and you wish to correct the information, you must submit a signed, written statement explaining why you dispute this information. Attach copies (not originals) of any relevant documents supporting your dispute. You must mail the signed and completed statement to the Settlement Administrator at the address set forth above in Section 7 no later than <<date>>. **If your signed and completed statement is not postmarked by this date, you will not be able to dispute the calculation of your settlement share.** After consultation with you, Class Counsel, and Branded Group, the Settlement Administrator will make a final determination that you will not be able to appeal.

25. What is my estimated share of the settlement?

Based on the records supplied to the Settlement Administrator, your **estimated** settlement award is \$ _____. Please note that this amount may change depending on various factors, including the number of Class Members, if any, who request to be excluded from the settlement.

RELEASE OF CLAIMS

26. What claims are being released as part of the settlement?

Upon final approval of the settlement by the Court, and except as to such rights as may be created by the Settlement Agreement, Plaintiff and each Participating Class Member fully release and discharge Branded Group, and its past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys from all claims that were pled in the Action, together with all claims demands, rights, liabilities, statutory and/or civil penalties, and causes of action that were asserted in the Action or that could have been asserted based on the factual allegations in the Action.

FINAL SETTLEMENT APPROVAL HEARING

27. When will the Court consider whether to finally approve the settlement?

The Court will hold a hearing in Department ____ of the Superior Court of California for the County of Kern, located at 1415 Truxton Avenue, Bakersfield, California 93301, on _____, 20__ at __:00 __.m., to decide whether to finally approve the Settlement. At that time, the Court will also decide whether to approve Class Counsel's request for attorneys' fees and reimbursement of costs, the Class Representative Payment, the PAGA payment, and the Settlement Administrator's payment.

It is not necessary for you to appear at this hearing. You may appear and speak at the hearing if you want to do so. Any attorney who will represent you must file a notice of appearance with the Court and serve the notice of appearance on Class Counsel and counsel for Branded Group on or before _____, 20__ (one week before the hearing). You will be solely responsible for the fees and costs of your own attorney.

The Final Settlement Approval hearing may be postponed without further notice to the Class. If the settlement is not approved, the lawsuit will continue.

FURTHER INFORMATION

28. How do I get more information?

This Notice provides a summary of the basic terms of the settlement. For the Settlement's complete terms and conditions, please consult the Settlement Agreement that was filed with the Court.

If you have more questions about this Notice or the lawsuit, you can contact Class Counsel at:

Douglas Han
Shunt Tatavos-Gharajeh
Phillip D. Song
JUSTICE LAW CORPORATION
751 N. Fair Oaks Avenue, Suite 101
Pasadena, CA 91103
Telephone: (818) 230-7502
Fax: (818) 230-7259
Email: info@justicelawcorp.com

**PLEASE DO NOT TELEPHONE OR WRITE THE COURT, THE OFFICE OF THE
CLERK, BRANDED GROUP, INC. OR COUNSEL FOR BRANDED GROUP, INC.
FOR INFORMATION REGARDING THIS SETTLEMENT**

EXHIBIT B
[ENVELOPE FOR MAILING CLASS NOTICE]

(Name of Settlement
Administrator
Street Address
City, State, Zip)

«Name»
«Address»
«City»,«State»
«Zipcode»

**Court-Ordered Class Action Notice Inside
Your Rights Could Be Affected by a Class Action
Settlement in *Elizabeth Stacy, et al. v. Continental
Intermodal Group, LP, dba Branded Group***

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PROOF OF SERVICE
1013A(3) CCP

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101, Pasadena, CA 91103 and my electronic service address is arivera@justicelawcorp.com

On April 22, 2021, I served the foregoing document described as

SETTLEMENT AGREEMENT

for the following case: **Stacy v. Branded Group, Inc.**
LWDA/Court Case No.: **LWDA Case No.: CM-797075-20**
Court Case No.: BCV-21-100443
Kern County Superior Court

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

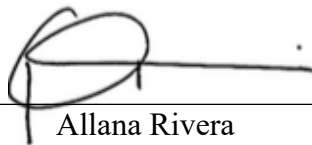
[X] BY ELECTRONIC SUBMISSION

Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on April 22, 2021, at Pasadena, California.



Allana Rivera