

STIPULATION OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT

IT IS HEREBY STIPULATED by and between Plaintiff Michael Manzo, on behalf of himself and others similarly situated, on the one hand, and Defendant Southside Pizza, Inc. (“Southside Pizza”) and Defendant Prima Pizza, Inc. (“Prima Pizza”) (collectively, “Defendants”) on the other hand, and subject to the approval of the Court, that the Lawsuit is hereby being compromised and settled pursuant to the terms and conditions set forth in this Stipulation of Class and Representative Action Settlement (“Settlement Agreement”) and that the Court shall make and enter judgment, subject to the continuing jurisdiction of the Court as set forth below, subject to the definitions, recitals and terms set forth herein which by reference become an integral part of this Settlement Agreement.

DEFINITIONS

1. “Aggrieved Employees” means all individuals who are or were previously employed by one or more Defendants in the State of California who were classified as hourly, non-exempt employees during the PAGA Period.

2. “Attorneys’ Fees and Costs” means the amount the Court authorizes to be paid to Class Counsel for attorneys’ fees, not to exceed one-third (or, 33.3%) of the Gross Settlement Amount, and litigation costs incurred in connection with the Lawsuit, not to exceed \$25,000, paid from the Gross Settlement Amount.

3. “Class Counsel” means CounselOne, PC.

4. “Class” or “Class Member(s)” means all individuals who are or previously were employed by one or more Defendants in the State of California who were classified as hourly, non-exempt employees during the Class Period.

5. “Class List” means a list of contact information compiled by Defendants in good faith based on their records and provided to the Settlement Administrator containing the following information for each Class Member: full name; last-known mailing address; last-known telephone number; Social Security number; start and end dates of employment; number of Workweeks as an hourly, non-exempt employee for Defendant(s) in California during the Class Period; and number of Pay Periods as an hourly, non-exempt Aggrieved Employee for Defendant(s) in California during the PAGA Period.

6. “Class Notice” or “Notice of Pendency of Class and Representative Action Settlement” means the document to be sent via first class U.S. mail to the Class following Preliminary Approval, in substantially the form that is attached hereto as “**EXHIBIT 1**,” or otherwise approved by the Court, which will notify Class Members of the settlement, explain the basic terms of this Settlement Agreement, and inform Class Members of their options with regard to the settlement.

7. “Class Period” means the period beginning on December 23, 2016 and ending on December 31, 2022.

8. “Court” means the Superior Court for the State of California, County of Los Angeles.

9. “Defendants” means Southside Pizza, Inc. and Prima Pizza, Inc.

10. “Defendants’ Counsel” means Fisher & Phillips, LLP.

11. “Effective Date” will be the date of entry of the Final Approval Order if no objections to the settlement are filed. If objections are filed and overruled or withdrawn, and no appeal is taken, then the Effective Date will be sixty-five (65) calendar days after the entry of the Final Approval Order. If an appeal is taken from the Court’s overruling of objections to the settlement, then the Effective Date will be twenty (20) calendar days after the appeal is dismissed or after an appellate decision affirming the Final Approval Order becomes final.

12. “Final Approval Hearing” means the hearing following Preliminary Approval and distribution of the Class Notice to the Class, at which the Court will determine whether to fully and finally approve the fairness and reasonableness of the settlement, and at which Plaintiff will request that the Court enter the Final Approval Order, approve and award Attorneys’ Fees and Costs, Service Award, Individual Settlement Payments, Settlement Administration Expenses, and LWDA Payment, and take other appropriate or necessary action as described herein.

13. “Final Approval Hearing Date” means the date of the Final Approval Hearing.

14. “Gross Settlement Amount” or “GSA” means the maximum total payment of One Million and Two Hundred Thousand Dollars (\$1,200,000.00) payable by Defendants under this Settlement Agreement, inclusive of all Individual Settlement Payments, Attorneys’ Fees and Costs, Settlement Administration Expenses, Service Award to Plaintiff, and the LWDA Payment. The Gross Settlement Amount is non-reversionary, payable without any claims-made process, subject to increase pursuant to Paragraph 55, and exclusive of employer-side payroll taxes which shall be paid separately.

15. “Individual Settlement Share(s)” means a Settlement Class Member’s *pro rata* share of the Net Settlement Amount, which is to be determined in conformity with Paragraph 49(e), which is inclusive of the employee-side payroll taxes, contributions, and withholdings with respect to the wages portion of the Individual Settlement Shares (“Employee Taxes”). The net payment of each Settlement Class Member’s Individual Settlement Shares (after reduction for Employee Taxes), and PAGA Group Member’s individual PAGA payment (if applicable) is referred to as his or her “Individual Settlement Payment.”

16. “Lawsuit” means the action entitled *Michael Manzo v. Southside Pizza, Inc. and Prima Pizza, Inc., et al.*, filed in the Los Angeles County Superior Court and assigned case number 20STCV4887.

17. “LWDA Payment” means the payment that is to be approved by the Court pursuant to Labor Code section 2699 and distributed as seventy-five (75%) of the PAGA Payment (*i.e.*, \$90,000) to the California Labor and Workforce Development Agency (“LWDA”). Further, the remaining twenty-five (25%) of the PAGA Payment (*i.e.*, \$30,000) will be paid to the Aggrieved Employees employed during the PAGA Period (“PAGA Group Members”) on a *pro rata* basis in conformity with Paragraph 49(d). Class Counsel shall give timely notice of the settlement to the LWDA under Labor Code section 2699(l)(2).

18. “Net Settlement Amount” or “NSA” means the portion of the Gross Settlement Amount that is available for distribution to Settlement Class Members, which will be the Gross Settlement Amount less the amounts awarded for Attorneys’ Fees and Costs, Service Award, PAGA Payment, and Settlement Administration Expenses.

19. “Notice Plan” means the plan for the provision of notice to all Class Members under this Settlement Agreement.

20. “PAGA Group” or “PAGA Group Members” mean all Aggrieved Employees, whether or not they submit a request for exclusion from the Settlement Class, employed by Defendants during the PAGA Period.

21. “PAGA Payment” means the payment of penalties pursuant to California Labor Code sections 2968, *et seq.*, the Labor Code Private Attorneys General Act of 2004 (“PAGA”), that the Parties have agreed is a reasonable sum to be paid in settlement of the PAGA claims encompassed by

the underlying allegations in the Lawsuit, which is \$120,000.00.

22. “PAGA Period” means the period beginning on October 19, 2019 and ending on December 31, 2022.

23. “Parties” means Plaintiff, individually and on behalf of all Class Members and PAGA Group Members, and Defendants, who are individually referred to as “Party.”

24. “Pay Period(s)” means the number of pay periods during the PAGA Period during which, based on Defendants’ records, an Aggrieved Employee was actively employed by Defendants and worked during at least a portion of such Pay Period as an hourly, non-exempt employee in California.

25. “Plaintiff” or “Class Representative” means Michael Manzo.

26. “Plaintiff’s Released Claims” means that, in addition to the Settlement Class Members’ Released Claims and the Released PAGA Claims, in exchange for the consideration recited in this Settlement Agreement, including but not limited to the Service Award, Plaintiff, individually, releases all claims of any kind or nature whatsoever, whether known or unknown, fixed, contingent, accrued, absolute, threatened or otherwise, to the extent sustained, suffered or incurred by or made against Defendants by Plaintiff arising from acts, events, or circumstances occurring before the effective date of this Settlement. Any other claims which cannot be released by law (*e.g.*, unemployment benefits, social security benefits, workers’ compensation benefits) are not released, nor does this release extend to any claims or actions to enforce this Settlement. The specific terms and details of which are set forth in Paragraph 48.

27. “Released PAGA Claims” means releases from the State of California and all Aggrieved Employees of all claims for PAGA penalties pled or could have been plead based on the factual allegations contained in the operative complaint and PAGA Letters sent by Plaintiff that occurred during the PAGA Period that stated violations of California Labor Code §§ 201, 202, 203, 204, 210, 221, 226(a), 226.3, 350, 351, 510, 512, 558(a), 1174, 1174.5, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802, as to the Aggrieved Employees and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, and PAGA claims outside of the PAGA Period. The specific terms and details of which are set forth in Paragraph 47.

28. “Released Parties” means Defendants Southside Pizza, Inc. and Prima Pizza, Inc., as well as their current and former agents, officers, employees, directors, owners, subsidiaries, affiliates, parent companies, insurers, and attorneys.

29. “Response Deadline” means the date forty-five (45) days after the Settlement Administrator mails the Class Notice to Class Members and the last date on which Class Members may submit an opt-out/request for exclusion or object to the settlement.

30. “Service Award” means the amount that the Court authorizes to be paid to Plaintiff, in addition to his Individual Settlement Payment, in recognition of his efforts and risks in assisting with the prosecution of the Lawsuit (allocated at 75%) and in exchange for his executing a General Release of Defendants (allocated at 25%), paid from the Gross Settlement Amount.

31. “Settlement Administrator” means CPT Group, Inc., the neutral third-party administrator mutually agreed upon by the Parties, subject to approval by the Court.

32. “Settlement Administration Expenses” means fees and costs of settlement administration services rendered in administering the settlement.

33. “Settlement Class” or “Settlement Class Members” means Class Members who have not submitted a timely and valid Opt-Out/Request for Exclusion pursuant to Paragraph 56.

34. “Settlement Class Members’ Released Claims” means the releases from Settlement Class Members of all claims pled or could have been pled based on the factual allegations contained in the operative complaint which occurred during the Class Period, including, but not limited to claims under California Labor Code §§ 201, 202, 203, 204, 210, 221, 226(a), 226.3, 226.7, 350, 351, 510, 512, 558(a), 1174, 1174.5, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802, and California Business and Professions Code section 17200, *et seq.* that could have been premised on the claims pled or legal theories of relief pled in the operative complaint, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, and class claims outside of the Class Period. The time period of this release is the Class Period. The specific terms and details of which are set forth in Paragraph 46.

35. “Workweek(s)” means a seven-day work week during the Class Period during which, based on Defendants’ records, Class Members were actively employed by Defendants and worked

during at least a portion of such Workweek in an hourly-paid or non-exempt position in California.

RECITALS

36. **Procedural History.** Plaintiff filed his complaint against Defendants in the Los Angeles County Superior Court on December 23, 2020 alleging: (1) failure to pay minimum wages pursuant to Labor Code §§ 221, 350, 351 1194, 1194.2, 1197, 1197.1, and Wage Order 5-2001; (2) failure to pay overtime pursuant to Labor Code §§ 510 and 1198, and Wage Order 5-2001; (3) failure to provide meal period premiums in violation of Labor Code §§ 226.7, 512, and Wage Order 5-2001; (4) failure to provide rest period premiums in violation of Labor Code § 226.7 and Wage Order 5-2001; (5) failure to maintain and provide accurate itemized wage statements in violation of Labor Code §§ 226, 226.3, and 1174; (6) failure to pay timely wages timely during employment and upon termination in violation of Labor Code §§ 201-204, and 210; (7) failure to reimburse business expenses in violation of Labor Code §§ 2800 and 2802; (8) violations of California Business and Professions Code § 17200, *et seq.*, and (9) violation of the California Private Attorneys' General Act of 2004 ("PAGA"), codified in Labor Code §§ 2698, *et seq.* On August 27, 2021, Defendants filed their Answers denying each of the allegations and asserting multiple affirmative defenses.

37. **Dismissal of Domino's Entities.** Plaintiff originally sued as named defendants, Domino's Pizza, LLC and Domino's Pizza Franchising, LLC, as well. However, on September 06, 2022, the Court granted Plaintiff's request for dismissal of these two Domino's named entities *without prejudice*. Plaintiff agreed to dismissal based on current legal precedent that is averse to imposing employer defined wage and hour obligations on franchisors. *See, e.g., Patterson v. Domino's Pizza, LLC* (2014) 60 Cal.4th 474.

38. **Pre-Filing PAGA Notice.** Plaintiff's counsel provided pre-filing written notice to the LWDA and by certified mail to Defendants of the above-identified allegations on behalf of Plaintiff and similarly situated aggrieved employees in accord with the PAGA, California Labor Code §§ 2698, *et seq.*

39. **Discovery and Investigation.** Plaintiff's attorneys began their investigation into the at-issue allegations well in advance of filing the complaint and engaged in extensive formal and informal discovery and investigation, and such was sufficient to allow the Parties to evaluate the case prior to settlement. For example, Class Counsel requested production of and reviewed key information

and documents such as the number of putative class members and aggrieved employees, relevant wage and hour policies, time and payroll records, rates of pay, among other things for all defendants. Class Counsel analyzed time and payroll records and interviewed Class Members to determine violation rates. The Parties met and conferred at length regarding the information and documents produced. Documents were produced in advance of mediation for the parties to be able to sufficiently prepare for mediation.

40. **Mediation.** After having performed extensive investigation and analysis of the legal and factual issues and risks, on October 26, 2022, the Parties participated in a full-day mediation before mediator, Hon. Lisa R. Cole (Ret.) of Signature Resolution, in an attempt to resolve the Lawsuit. The matter was not resolved at that session. On November 17, 2022, a written mediator's proposal was made to all Parties with an expiration date of December 05, 2022, but the matter still did not resolve. After further mediator facilitation and months of continued negotiations, on March 08, 2023, the Parties reached an agreement on all material terms of this settlement. At all times, the settlement discussions were conducted in good-faith, adversarial, and at arm's-length.

41. **Benefits of Settlement.** Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to litigate their disputes through trial and through any possible appeals. Plaintiff has also taken into account the uncertainty and risks of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel are also aware of the burdens of proof necessary to establish liability for the claims asserted in the Lawsuit, both generally and in response to Defendants' defenses thereto, and the difficulties in establishing damages for Class Members. Plaintiff and Class Counsel have also taken into account the extensive settlement negotiations conducted. Based on the foregoing, Plaintiff and Class Counsel have determined that the settlement set forth herein is a fair, adequate and reasonable settlement, and is in the best interests of Class Members and PAGA Group Members.

42. **Defendants' Reasons for Settlement and Non-Admission.** Defendants have concluded that any further defense of this litigation would be protracted and expensive for all Parties. Substantial amounts of time and resources of Defendants have and, unless this settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff, Class Members, and PAGA Group Members. Defendants have also taken into account the risks of further litigation in reaching its

decision to enter into this Settlement Agreement. Despite continuing to contend that they are not liable for any of the claims set forth by Plaintiff, Defendants have, nonetheless, agreed to settle in the manner and upon the terms set forth in this Settlement Agreement to put to rest the claims as set forth in the Lawsuit. Defendants have claimed and continue to claim that the Plaintiff's Released Claims, Settlement Class Members' Released Claims, and PAGA Group Members' Released PAGA Claims have no merit and do not give rise to liability. This settlement is a compromise of disputed claims.

43. **This Settlement Is Fair, Adequate and Reasonable.** The Parties believe this settlement is a fair, adequate and reasonable settlement of this Lawsuit and have arrived at this settlement after extensive arms-length negotiations, taking into account all relevant factors, present and potential.

44. **No Knowledge Of Affected Other Pending Matters.** The Parties, Class Counsel, and Defendants' Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the Recitals listed above and the promises and warranties set forth below, and intending to be legally bound and acknowledging the sufficiency of the consideration and undertakings set herein, the Plaintiff, individually and on behalf of others similarly situated, on the one hand, and Defendants, on the other hand, agree that the Lawsuit shall be, and is finally and fully compromised and settled on the following terms and conditions, subject to Court approval:

45. **Non-Admission of Liability.** This Settlement Agreement represents a compromise and settlement of highly disputed claims. Defendants deny each and all of the claims alleged by Plaintiff in the Lawsuit. The Parties enter into this Settlement Agreement to resolve the Lawsuit and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, Defendants do not admit, and generally and specifically deny, that they have: violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to their employees, the Class, and/or PAGA Group Members. Neither this Settlement Agreement, nor any of

its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendants of any such violation(s) or failure(s) to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendants, jointly or separately, or to establish the existence of any condition constituting a violation of, or a noncompliance with, federal, state, local or other applicable law. In addition, as set forth herein, the Parties intend this settlement to be contingent upon the Preliminary Approval and Final Approval of this Settlement Agreement; and the Parties do not waive, and instead expressly reserve, their respective rights to prosecute and defend the Lawsuit as if this Settlement Agreement never existed in the event the settlement is not finally approved as set forth herein.

46. **Release of Settlement Class Members' Claims.** Effective on the date when Defendants fully fund the entire Gross Settlement Amount and fund all employer payroll taxes owed on the wage portion of the Individual Settlement Payments, Plaintiff and all Class Members who did not submit valid requests for exclusion from the Settlement, for the period from December 23, 2016, and ending on December 31, 2022, will release and forever discharge Defendants Southside Pizza, Inc. and Prima Pizza, Inc., as well as their current and former agents, officers, employees, directors, owners, subsidiaries, affiliates, parent companies, insurers, and attorneys (again, the "Released Parties"), from the Settlement Class Members' Released Claims during the Class Period. The Settlement Class Members' Released Claims include all claims pled or could have been pled based on the factual allegations contained in the operative complaint which occurred during the Class Period, including, but not limited to claims under California Labor Code §§ 201, 202, 203, 204, 210, 221, 226(a), 226.3, 226.7, 350, 351, 510, 512, 558(a), 1174, 1174.5, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802, and California Business and Professions Code section 17200, *et seq.* that could have been premised on the claims pled or legal theories of relief pled in the operative complaint, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, and class claims outside of the Class Period. The time period of this release is the Class Period (again, "Settlement Class Members' Released Claims.")

47. **Release of PAGA Claims.** Effective on the date when Defendants fully fund the entire Gross Settlement Amount and fully fund all employer payroll taxes owed on the wage portion of the Individual Settlement Payments, notwithstanding the foregoing, all Class Members who are also Aggrieved Employees, whether or not they submit a request for exclusion from the Settlement, employed by Defendants during the PAGA Period (again, “PAGA Group Members”) will receive a PAGA payment and will no longer be able to allege claims for PAGA penalties pled or could have been plead based on the factual allegations contained in the operative complaint and PAGA Letters sent by Plaintiff that occurred during the PAGA Period that stated violations of California Labor Code §§ 201, 202, 203, 204, 210, 221, 226(a), 226.3, 350, 351, 510, 512, 558(a), 1174, 1174.5, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802, as to the Aggrieved Employees and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, and PAGA claims outside of the PAGA Period (again, “Released PAGA Claims.”)

48. **General Release by Plaintiff Only.** Effective on the date when Defendants fully fund the entire Gross Settlement Amount and fund all employer payroll taxes on the wage portion of the Individual Settlement Payments, in addition to the Settlement Class Members’ Released Claims and the Released PAGA Claims, Plaintiff releases all claims of any kind or nature whatsoever, whether known or unknown, fixed, contingent, accrued, absolute, threatened or otherwise, to the extent sustained, suffered or incurred by or made against Defendants by Plaintiff arising from act, events, or circumstances occurring before the Effective Date of this Settlement. The release by Plaintiff includes a waiver of his individual rights under Section 1542 of the Civil Code of the State of California states as follows:

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

Any other claims which cannot be released by law (*e.g.*, unemployment benefits, social security benefits, workers’ compensation benefits) are not released, nor does this release extend to any claims or actions to enforce this Settlement (again, “Plaintiff’s Released Claims.”)

49. **Payments under the Settlement.** In consideration of the mutual covenants and

promises set forth herein, Defendants agree to make a total payment under this Settlement Agreement in an amount up to, but not to exceed the Gross Settlement Amount of one million, two hundred thousand dollars (\$1,200,000). In no event shall Defendants be required to pay any amount above the Gross Settlement Amount under this Settlement Agreement, except that the payment of employer's share of payroll taxes and contributions in connection with the wages portion of the payouts to Settlement Class Members will be in addition to the Gross Settlement Amount. The Parties agree that the Gross Settlement Amount will be paid by Defendants on a non-reversionary basis and no portion of the Gross Settlement Amount will revert to Defendants. The Parties further agree, subject to Court approval, that the Gross Settlement Amount shall be apportioned as follows:

a. Plaintiff will apply to the Court for an award of attorneys' fees of no more than thirty-three and one-third percent (33.3%) of the Gross Settlement Amount (*i.e.*, no more than \$400,000) to Class Counsel ("Attorneys' Fees") and for an award of reimbursement of actual litigation costs and expenses up to twenty-five thousand dollars (\$25,000) to Class Counsel ("Attorneys' Costs"). The Attorneys' Fees and Attorneys' Costs (again, in the aggregate, "Attorneys' Fees and Costs") are included in, and will be paid from, the Gross Settlement Amount. Defendants will not oppose such application.

b. Plaintiff will also apply to the Court for payment to the Settlement Administrator for the costs of notice and settlement administration not to exceed twenty-five thousand dollars (\$25,000) (again, "Settlement Administration Expenses"). The Settlement Administration Expenses are included in, and will be paid from, the Gross Settlement Amount. Defendants will not oppose such application. Should any part of this amount not be approved by the Court, such unapproved amounts will revert to the Net Settlement Amount.

c. Plaintiff will apply to the Court for payment in the amount of eight thousand dollars (\$8,000) to Plaintiff (again, "Service Award"), for his services and responsibilities in prosecuting the Lawsuit and in exchange for executing a general full release. The Service Award is included in, and will be paid from, the Gross Settlement Amount. Defendants will not oppose such application. Should any part of this amount not be approved by the Court, such unapproved amounts will revert to the Net Settlement Amount.

d. The amount of one hundred twenty thousand dollars (\$120,000) is allocated towards penalties pursuant to California Labor Code sections 2698, *et seq.* (again, “PAGA Payment”), of which the LWDA will be paid in the amount of ninety thousand dollars (\$90,000) (again, “LWDA Payment”) and the amount of thirty thousand dollars (\$30,000) will remain available for distribution on a *pro rata* Pay Periods basis to all PAGA Group Members (*i.e.*, individual recovery depends on each PAGA Group Member’s ratio of his or her Pay Periods relative to the total of Pay Periods of all PAGA Group Members) who worked during the PAGA Period, and irrespective of whether he or she is a Settlement Class Member. The PAGA Payment will be included in, and will be paid from, the Gross Settlement Amount. Should any part of this amount not be approved by the Court, such unapproved amounts will revert to the Net Settlement Amount.

e. The Net Settlement Amount will be the amount that is available for distribution to Settlement Class Members on a *pro rata* basis based on Workweeks. The Settlement Administrator will calculate each Settlement Class Member’s individual share using the following formula: The sum of all Settlement Class Members’ individual Workweeks will be the “Total Workweeks.” The Net Settlement Amount will be divided by the Total Workweeks to yield the “Workweeks Value.” Each Settlement Class Member’s Individual Settlement Share will be determined by multiplying his or her individual Workweeks by the Workweek Value.

f. The net payment of each Settlement Class Member’s Individual Settlement Share (after reduction of Employee Taxes) and individual PAGA payment (if applicable) is referred to as his or her Individual Settlement Payment.

50. **No Credit Toward Benefit Plans.** Payments made to Plaintiff, Settlement Class Members, and PAGA Group Members under this Settlement Agreement shall not be utilized to calculate any additional benefits under any benefit plans to which they may be eligible, including, but not limited to, under profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties’ intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which Plaintiff, Settlement Class Members, and PAGA Group Members, may be entitled under any benefit plans.

51. **Taxation of Settlement Proceeds.**

a. The Parties agree that twenty percent (20%) of each Individual Settlement Share will be considered taxable wages and will be reported as such to each Settlement Class Member on a W-2 Form. The Parties agree that eighty percent (80%) of each Individual Settlement Share will be considered interest and penalties (equal split, *i.e.*, 40% interest and 40% penalties) and will be reported as such to each Settlement Class Member on an IRS Form 1099 (if required).

b. The Settlement Administrator shall calculate and remit to applicable taxing authorities sufficient amounts for the Employee and Employer Taxes. Any funds returned by taxing authorities due to cancellation of any Individual Settlement Payment checks will be transmitted in accordance with Paragraph 59(d), the same as all other residual funds associated with Individual Settlement Payment checks.

c. The Settlement Administrator will issue appropriate tax forms to each Settlement Class Member consistent with the foregoing breakdown.

d. All Parties represent that they have not received, and shall not rely on, advice or representations from Class Counsel or Defendants' Counsel regarding the tax treatment of payments under federal, state, or local law, and that no representations have been made to them regarding the taxability of any payments under this Settlement Agreement.

e. Class Counsel will be issued an IRS Form 1099 for Attorneys' Fees and Costs awarded by the Court. Except as provided herein, each of the Parties shall bear his, her, their, or its own attorneys' fees, costs, and expenses incurred in the prosecution, defense, or settlement of the Lawsuit.

f. Plaintiff will be issued an IRS Form 1099 for any Service Award. The Service Award payable to Plaintiff shall be in addition to the Individual Settlement Payment she is contemplated to receive under this Settlement Agreement.

52. **Notice Procedure.**

a. The Parties shall use CPT Group, Inc. as the Settlement Administrator to distribute the Class Notice, distribute payments under this Settlement Agreement, handle tax reporting, establish and host a dedicated case settlement website, and field questions with a telephonic hotline.

b. Defendants will provide the Settlement Administrator with the Class List within twenty (20) calendar days following the date of Preliminary Approval. The Class List shall, for each

Class Member include: the full name; last-known mailing address; last-known telephone number; Social Security number; start and end dates of employment; number of Workweeks as an hourly, non-exempt employee for Defendant(s) in California during the Class Period; and number of Pay Periods as an hourly, non-exempt Aggrieved Employee for Defendant(s) in California during the PAGA Period. The Class List and any other data provided by Defendants to the Settlement Administrator shall be treated as confidential and shall not be used by the Settlement Administrator for any purpose other than as permitted by this Settlement Agreement. The Settlement Administrator will keep the list confidential, use it only for the purposes described herein, and ensure that any other communications with Class Members shall not include the Class Members' Social Security number except for the last four digits.

- c. The Settlement Administrator shall be responsible for:
 - i. Mailing the Class Notice to the Class Members as directed by the Court;
 - ii. Consulting with counsel for the Parties concerning any relevant issue(s), including (without limitation) the estimated amounts of Individual Settlement Shares and Individual Settlement Payments;
 - iii. Receiving and processing Workweek and/or Pay Period Disputes and rejecting timely or improper Workweek and/or Pay Period Disputes;
 - iv. Keeping track of Requests for Exclusion, and rejecting untimely or improper Requests for Exclusion;
 - v. Keeping track of Objections that it receives;
 - vi. Calculation and distribution of payments in accordance with this Settlement Agreement and the Court's orders;
 - vii. Providing weekly status reports to counsel for the Parties, including: (a) the number of Class Notices mailed; (b) the number of Workweek and/or Pay Period Disputes received; (c) the number of Objections received; and (d) the number of Requests for Exclusion received;
 - viii. No later than twenty-one (21) calendar days before the Final Approval Hearing, preparing and providing to Class Counsel and Defendants' Counsel, for filing with the Court in support of Plaintiff's motion for final approval of the settlement, a declaration of due diligence setting forth its compliance with its obligations under this Settlement Agreement;

ix. Notifying Defendants' Counsel, within three (3) business days after the Effective Date, of the wiring instructions to fund the Gross Settlement Amount, which must be paid by Defendants in the amounts and in accordance with the deadlines set forth in Paragraph 59;

x. Distributing payments due under this Settlement Agreement;

xi. Issuing a W-2 Form to each Settlement Class Member for the wage portion of each Individual Settlement Share, a 1099 Form (if required) to each Settlement Class Member for the non-wage portion of each Individual Settlement Share, a 1099 Form (if required) to each PAGA Group Member, a 1099 Form to Plaintiff for the Service Award, a 1099 Form to Class Counsel for the Attorneys' Fees and Costs award, and a 1099 Form to the Settlement Administrator for all Settlement Administration Expenses; and,

xii. Such other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform, including responding to questions from Class Members.

d. Within ten (10) calendar days of receipt of the Class List, the Settlement Administrator shall mail the Class Notice to all persons shown by Defendants' records to be Class Members, as reflected in the Class List, via first class U.S. mail, using the most current mailing address available after a National Change of Address search. The Class Notice shall state an estimate of each Class Member's respective Individual Settlement Share and the number of Workweeks and/or Pay Periods credited to him or her.

e. Any Class Notice(s) returned to the Settlement Administrator as undelivered within fifteen (15) calendar days of initial mailing and bearing a forwarding address shall be re-mailed by the Settlement Administrator within three (3) business days following receipt of the returned mail. For any such Class Notice returned to the Settlement Administrator without a forwarding address, the Settlement Administrator shall first conduct a National Change of Address search as required for undeliverable notices, followed by a "skip trace" search to obtain an updated address, and shall promptly re-mail the Class Notice to any newly-found address or addresses. The Settlement Administrator shall also re-mail by first class U.S. mail any such Class Notice returned by the Post Office with a forwarding address. It shall be conclusively presumed that those Class Members whose re-mailed Class Notice is not returned to the Settlement Administrator as undeliverable within five (5) calendar days after re-mailing, received the Class Notice.

f. Class Counsel shall provide the Court with a declaration from the Settlement Administrator confirming that the Class Notice was mailed to all Class Members as required by this Settlement Agreement, as well as any additional information Class Counsel deems appropriate to provide to the Court, before the Final Approval Hearing.

53. **Settlement Payments.** Class Members and PAGA Group Members are not required to submit a claim form to receive a settlement payment.

54. **Submission of Workweek and/or Pay Period Disputes.**

a. If any Class Member disputes the Workweeks and/or Pay Periods set forth on the Class Notice during the respective Class/PAGA Period (“Workweek and/or Pay Period Dispute”), the Class Member may submit documentation supporting his or her position by mail to the Settlement Administrator no later than forty-five (45) calendar days from the date the Class Notice is originally mailed by the Settlement Administrator, (“Response Deadline”). Workweek and/or Pay Period Disputes not postmarked or confirmed received by the Settlement Administrator on or before the Response Deadline will be considered late and may be summarily rejected by the Settlement Administrator, in consultation with Class Counsel and Defendants’ Counsel.

b. The Settlement Administrator will notify counsel for the Parties via email. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Parties and the Settlement Administrator will evaluate the evidence and discuss in good faith how many Workweeks and/or Pay Periods to be credited and in conformity with this Settlement Agreement. If the Parties and the Settlement Administrator do not reach agreement, the Court will make the final determination as to how many Workweeks and/or Pay Periods should be credited.

55. **Pro-Rata Increase of Gross Settlement Amount.** Defendants have represented that there are approximately 1,451 Class Members who worked approximately 82,758 workweeks, corresponding to approximately 41,697 pay periods as of June 21, 2022. Plaintiff is entering into this Settlement Agreement based on such representations. In the event it is determined that the actual number of workweeks during the period from the beginning of the class period until June 21, 2022 exceeds 82,758 by more than ten percent (10%), Defendants will increase the Gross Settlement Amount by a proportionate additional amount for each additional workweek. For example, if the above

number of workweeks during the period from the beginning of the class period until June 21, 2022 increases by 11%, the Gross Settlement Amount shall increase by 1%.

56. **Opt-Out Procedure.**

a. Class Members will have forty-five (45) days until the Response Deadline to mail by first class U.S. mail, with proof of date of submission to be the postmark date, a written request to opt out of the settlement (“Request for Exclusion”). Unless a Class Member submits a timely and valid Request for Exclusion, he or she shall be bound by the terms and conditions of this Settlement Agreement, including the release of claims as set forth herein.

b. A Request for Exclusion, in order to be deemed valid, must: (1) be signed by the Class Member; (2) contain the case name and number of the Lawsuit; (3) contain the Class Member’s full name, telephone number, and mailing address; (4) clearly state that the Class Member wants to opt out of the Settlement; and (5) be postmarked no later than the Response Deadline.

c. Upon receipt of any timely Request for Exclusion, the Settlement Administrator shall review the request to verify the information contained therein and confirm that the request complies with the requirements of this Settlement Agreement.

d. Any Class Member who fails to submit via first class U.S. mail a timely, complete, and valid Request for Exclusion shall be barred from opting out of the settlement. The Settlement Administrator shall not review or consider any Request for Exclusion postmarked after the Response Deadline. Under no circumstances shall the Settlement Administrator have the authority to extend the Response Deadline for Class Members to file a Request for Exclusion, except as ordered by the Court or mutually agreed by the Parties.

e. Plaintiff agrees not to request to be excluded from the Settlement.

57. **Right To Cancel.**

If more than ten percent (10%) of the Class Members submit a timely and valid Request for Exclusion, either party may withdraw from this Settlement Agreement within ten (10) calendar days after the Response Deadline by providing written notice of such withdrawal to counsel for the other party. If either party elects to withdraw, the withdrawal shall have the same effect as a termination of this Settlement Agreement; the Settlement shall become null and void and have no further force or effect. The party who exercises her/its option to terminate this settlement pursuant to this section,

shall pay all Settlement Administration Expenses incurred up to the date and as a result of the termination.

58. **Objections to Settlement.**

a. Any Settlement Class Member may object to the Settlement by mailing a written objection (“Objection”) to the Settlement Administrator. To be timely, Objections must be mailed to the Settlement Administrator, postmarked on or before the Response Deadline.

b. An Objection must: (1) be signed by the Class Member; (2) contain the case name and number of the Lawsuit; (3) contain the Settlement Class Member’s full name, telephone number, and mailing address; (4) clearly state the factual and legal basis for objecting to the Settlement; (5) indicate whether the Settlement Class Member is represented by counsel and identify said counsel; and (6) indicate whether the Settlement Class Member intends to appear at the Final Approval Hearing and seeks to be heard at the Final Approval Hearing. The Settlement Administrator will provide the Parties’ counsel with any objections received and also attach the objections as exhibits to its declaration regarding due diligence that will be filed with the Court in advance of the Final Approval Hearing.

c. Settlement Class Members have the right to appear and have their Objections heard or offer comments at the Final Approval Hearing, either in person or through a lawyer retained at their own expense. Class Counsel will not represent any Settlement Class Members with respect to such Objections.

59. **Settlement Proceeds Distribution Deadlines.**

a. Defendants shall fund the Gross Settlement Amount within fifteen (15) calendar days after the Effective Date.

b. Prior to disbursement of any funds, the Settlement Administrator will provide a disbursement summary of the calculations for the Service Awards to Plaintiff, payment of Attorneys’ Fees and Costs to Class Counsel, LWDA Payment, Settlement Administration Expenses payment, and payment of Individual Settlement Payments to Settlement Class Members and PAGA Group Members for review and approval by Class Counsel and Defendants’ Counsel.

c. No later than ten (10) calendar days after Defendants fully fund the Gross Settlement Amount, the Settlement Administrator shall distribute payments in accordance with this

Settlement Agreement and the Court's orders, as follows: (i) payment of the Service Award to Plaintiff; (ii) payment of the LWDA Payment to the Labor and Workforce Development Agency ("LWDA"); (iii) payment of Individual Settlement Payments to Settlement Class Members and PAGA Group Members; (iv) payment of Attorneys' Fees and Costs to Class Counsel; and (v) payment of Settlement Administration Expenses to the Settlement Administrator.

d. Settlement checks will be valid for a period of one hundred and eighty (180) calendar days from the date of issuance, and after this time period, any uncashed check(s) will be cancelled and the funds associated with such cancelled checks will be transmitted to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Code of Civil Procedure, § 1500 et seq. in the names of the Settlement Class Members and PAGA Group Members who did not cash their settlement checks until such time as they claim their property.

e. The remittance of all Court ordered and approved payments, under this Settlement Agreement, to the Settlement Administrator shall constitute the full and complete discharge of the entire obligation of Defendants under this Settlement Agreement.

f. No person shall have any claim against the Settlement Administrator, Defendants, Class Counsel, Defendants' Counsel, or any other agent designated by Plaintiff or Defendants based upon the distribution of payments made in accordance with this Settlement Agreement or further orders of the Court.

g. Defendants shall not be obligated to make any payments contemplated by this Settlement Agreement prior to the Effective Date.

60. **Binding Effect.**

a. Subject to Final Approval, all Settlement Class Members shall be bound by this Settlement Agreement, the contemplated Final Approval Order and Judgment, the release of Settlement Class Members' Released Claims, and shall be enjoined from pursuing, or seeking to reopen, Settlement Class Members' Released Claims against the Released Parties.

b. Subject to Final Approval, all Aggrieved Employees, whether or not they submit a request for exclusion from the Settlement, employed by Defendants during the PAGA Period (*i.e.*, the PAGA Group Members), shall be bound by this Settlement Agreement, the contemplated Final Approval Order and Judgment, the release of PAGA Group Members' Released PAGA Claims,

and shall be enjoined from pursuing, or seeking to reopen, PAGA Group Members' Released PAGA Claims against the Released Parties.

61. **Provisional Approval of Settlement.** After execution of this Settlement Agreement, Plaintiff shall promptly file a motion in the Lawsuit requesting Preliminary Approval of the settlement consistent with the terms of this Settlement Agreement. Defendants shall not oppose the Motion for Preliminary Approval of the settlement so long as the motion and supporting papers are consistent with the terms of this Settlement Agreement. By way of the motion, the Court will be requested to enter a Preliminary Approval Order that:

- a. Preliminarily approves this Settlement Agreement;
- b. Conditionally certifies the Class, for purposes of settlement;
- c. Preliminarily appoints Plaintiff as representative of the Class for settlement purposes;
- d. Preliminarily appoints CounselOne, PC as Class Counsel for the Class for settlement purposes;
- e. Approves and appoints CPT Group, Inc. as the Settlement Administrator to administer the settlement as required by this Settlement Agreement;
- f. Approves the form of the Class Notice and requires that it be sent to Class Members by first class U.S. mail;
- g. Approves the Notice Plan;
- h. Schedules the Final Approval Hearing; and
- i. Approves the procedure and deadlines (including the Response Deadline) for Class Members to submit Requests for Exclusion, Objections, and Workweek and/or Pay Period Disputes.

62. **Non-Interference with Settlement Administration.** The Parties and their counsel agree that they shall not seek to solicit or otherwise encourage Class Members to submit Requests for Exclusion or Objections to the settlement or to appeal from the Final Approval Order and Judgment.

63. **Final Approval Order and Judgment.** Plaintiff will request, and Defendants will concur in said request, that the Court enter, after the Final Approval Hearing, a Final Approval Order and Judgment drafted by Plaintiff in the form that is consistent with this Settlement Agreement.

Plaintiff will request that the Final Approval Order and Judgment find that this settlement is fair, just, equitable, reasonable, adequate and in the best interests of the Class, enter judgment in accordance with California Rules of Court 3.769, and require the Parties to carry out the provisions of this Settlement Agreement.

64. Voiding of Settlement Agreement if Settlement Not Finalized or for Failure to Satisfy Conditions.

a. The Court may award less to Plaintiff, Class Counsel, Settlement Administrator, and/or the LWDA than is provided for herein, without impacting the validity and enforceability of this Settlement Agreement.

b. If for any reason the settlement set forth in this Settlement Agreement is terminated as provided under this Paragraph or Paragraph 57 or does not otherwise become final:

i. The settlement shall be null and void and the orders and judgment to be entered pursuant to this Settlement Agreement shall be vacated; and the Parties will be returned to the status quo as of March 08, 2023, with respect to the Lawsuit and Plaintiff's class and representative claims, as if the Parties had never entered into this Settlement Agreement.

ii. This Settlement Agreement and all negotiations, court orders and proceedings relating thereto shall be without prejudice to the rights of any and all Parties hereto and Class Members, whom shall be restored to their respective positions existing prior to the execution of this Settlement Agreement, and evidence relating to this Settlement Agreement and all negotiations shall not be admissible or discoverable in the litigation and/or Lawsuit or otherwise.

iii. Defendants will not have waived, and instead expressly reserve, their rights to challenge the continuing propriety of class certification or representative adjudication for any purpose.

iv. Plaintiff and Class Counsel will not have waived, and instead expressly reserve, their rights to move for collective and/or class certification and seek representative adjudication.

v. To the extent one exists, the Preliminary Approval Order shall be vacated in its entirety and neither this Settlement Agreement, the Preliminary Approval Order, nor any other document in any way relating to any of the foregoing, shall be relied upon, referred to, or used

in any way for any purpose in connection with any further proceedings in this or any related action, including class certification proceedings.

65. **No Publicity.** The Parties and their counsel will not initiate nor respond to public relations or media inquiries about the settlement except as required by the settlement approval process. In addition, the Parties and their counsel agree that they will not engage in any advertising or distribute any marketing materials relating to the settlement of the Lawsuit in any manner that identifies Defendants, including but not limited to any postings on any websites maintained by Class Counsel.

66. **Notices.** All notices, requests, demands, and other communications required or permitted to be given pursuant to this Settlement Agreement to the Parties shall be in writing, and shall be delivered by first class U.S. mail through counsel, as follows:

For Plaintiff and the Class:

Anthony J. Orshansky
Jennifer L. Connor
CounselOne, PC
9301 Wilshire Boulevard, Suite 650
Beverly Hills, California 90210

For Defendants:

Lonnie D. Giamela
Fisher & Phillips, LLP
444 South Flower Street, Suite 1500
Los Angeles, CA 90071

67. **Modification in Writing.** This Settlement Agreement may be altered, amended, modified or waived, in whole or in part, only in a writing signed by counsel for the Parties and approved by the Court. This Settlement Agreement may not be amended, altered, modified or waived, in whole or in part, orally.

68. **Ongoing Cooperation.** Plaintiff and Defendants and each respective counsel shall execute all documents and perform all acts necessary and proper to effectuate the terms of this Settlement Agreement. The executing of documents must take place prior to the Final Approval Hearing.

69. **Binding on Successors.** This Settlement Agreement shall be binding and shall inure to the benefit of the Parties and their respective successors, assigns, executors, administrators, heirs, and legal representatives.

70. **Entire Agreement.** This Settlement Agreement constitutes the full, complete, and entire understanding, agreement, and arrangement between the Parties with respect to the settlement of the Lawsuit and Release of Claims. This Settlement Agreement supersedes any and all prior oral or written understandings, agreements, and arrangements between the Parties with respect to the settlement of the Lawsuit and Release of Claims. Except as to those set forth and included expressly in this Settlement Agreement, there are no other agreements, covenants, promises, representations, or arrangements between the Parties with respect to the settlement of the Lawsuit.

71. **Execution in Counterparts.** This Settlement Agreement may be executed in one or more counterparts and electronic signatures are acceptable. All executed copies of this Settlement Agreement, and photocopies thereof (including facsimile copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.

72. **Captions.** The captions and section numbers in this Settlement Agreement are inserted for the reader's convenience and in no way define, limit, construe, or describe the scope or intent of the provisions of this Settlement Agreement.

73. **Governing Law.** This Settlement Agreement shall be interpreted, construed, enforced, and administered in accordance with the laws of the State of California, without regard to conflict of law rules.

74. **Continuing Jurisdiction.** The Parties agree that the Court shall retain continuing jurisdiction over this case under Code of Civil Procedure section 664.6 to ensure the continuing implementation of the provisions of this settlement and that the time within which to bring this action to trial under Code Civil Procedure section 583.310 shall be extended for a period of not less than one (1) year starting from April 19, 2023 until the entry of final approval order and judgment or if not entered the date this agreement shall no longer be of any force or effect.

75. **Mutual Preparation.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement shall not be construed more strictly against one Party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

76. **Representation by Counsel.** The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement and that this Settlement Agreement has been executed with the consent and advice of counsel. Further, Plaintiff and Class Counsel warrant and represent, to their knowledge, that there are no liens on this settlement.

77. **Warranties and Representations.** With respect to themselves, each of the Parties to this Settlement Agreement and/or their agents or counsel represent, covenant, and warrant that (a) they have full power and authority to enter into and consummate all transactions contemplated by this Settlement Agreement and have duly authorized the execution, delivery, and performance of this Settlement Agreement and (b) the person executing this Settlement Agreement has the full right, power, and authority to enter into this Settlement Agreement on behalf of the Party for whom he/she/it has executed this Settlement Agreement, and the full right, power, and authority to execute any and all necessary instruments in connection herewith, and to fully bind such Party to the terms and obligations of this Settlement Agreement.

IT IS SO AGREED:

Dated: 07 / 31 / 2023, 2023



Plaintiff Michael Manzo

Dated: 2 August, 2023



Name:

Title: President

On Behalf of Defendant Southside Pizza, Inc.

Dated: 2 August, 2023



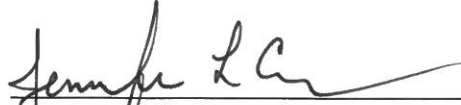
Name:

Title: President

On Behalf of Defendant Prima Pizza, Inc.

APPROVED AS TO FORM

Dated: July 18, 2023


Anthony J. Orshansky, Esq.
Jennifer L. Connor, Esq.
CounselOne, PC
Attorneys for Plaintiff Manzo

Dated: August 6, 2023


Lonnie D. Giamela, Esq.
Attorneys for Defendants

Exhibit 1

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

Michael Manzo v. Southside Pizza, Inc., et al. (LASC Case No. 20STCV4887)

***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 (“Lawsuit”) against defendants Southside Pizza, Inc. and Prima Pizza, Inc. (collectively, “Defendants”) for alleged wage and hour violations. The Lawsuit was filed by former Southside Pizza, Inc. employee, Michael Manzo (“Plaintiff”), and seeks payment of unpaid minimum wages, overtime wages, meal and rest break premium payments for missed breaks, reimbursement of business expenses, along with final wage payments, liquidated damages, restitution, injunctive relief, civil and statutory penalties, attorneys’ fees and costs, and prejudgment interest, for a class of individuals who are or previously were employed by one more Defendants in the State of California who were classified as hourly, non-exempt employees during the period of December 23, 2016 through December 31, 2022 (“Class Period”);

The proposed Settlement is a Class Settlement requiring Defendants to fund Individual Settlement Payments.

Based on Defendants’ records, and the Parties’ current assumptions, **your Individual Settlement Payment is estimated to be \$ [REDACTED] (less withholdings and deductions).** The actual amount you receive may be different and will depend on a number of factors.

The above estimate is based on Defendants’ records showing that:

- **During the Class Period, from December 23, 2016 through December 31, 2022, you were employed by Defendants as an hourly, non-exempt employee in California for [REDACTED] Workweeks.**
- **During the PAGA Period, from October 19, 2019 through December 31, 2022, you worked for Defendants as an Aggrieved Employee for [REDACTED] Pay Periods.**

If you believe that you worked more Workweeks and/or Pay Periods during the relevant time period(s), you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already 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 whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. 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 and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

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

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

Notwithstanding the above, **irrespective of whether or not you request exclusion from the Settlement**, qualifying Class Members employed during the PAGA Period shall receive his or her share of the PAGA Payment allocation as part of the Individual Settlement Payment.

**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 Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Settlement Class Member, eligible for an Individual Settlement Payment. In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Settlement Class Members' Released Claims).
You Can Opt-out of the Class 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 Settlement Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.
Settlement Class Members Can Object to the Class Settlement Written Objections Must be Submitted by 	All Class Members who do not opt-out ("Settlement Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Lawsuit on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Settlement Class Members. 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 [REDACTED] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [REDACTED]. 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. Settlement 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 [REDACTED]	The amount of your Individual Settlement Payment depends on how many Workweeks/Pay Periods you worked during the Class Period. The number Class Period Workweeks you worked according to Defendants' records is stated on the first page of this Notice. If you disagree with this number, you must challenge it by [REDACTED]. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former hourly, non-exempt employee of Defendants. The Lawsuit accuses Defendants Southside Pizza, Inc. and Prima Pizza, Inc. of violating California's Labor Code and Business & Professions Code by failing to pay for: (1) unpaid minimum wages; (2) unpaid overtime; (3) failure to provide meal periods; (4) failure to provide rest breaks; (5) failure to maintain and provide accurate itemized wage statements; (6) failure to pay wages timely during employment and upon termination; (7) failure to reimburse business expenses; (8) violation of unfair competition law; and (9) violation of the Private Attorneys General Act of 2004 ("PAGA"). Plaintiff is represented by attorneys in the Lawsuit: CounselOne, P.C. ("Class Counsel.")

Defendants strongly deny violating any laws or failing to pay any wages and contend that 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 correct on the merits. In the meantime, Plaintiff and Defendants hired the experienced, private mediator and retired judge, the Hon. Lisa R. Cole (Ret.) of Signature Resolution, in an effort to resolve the Lawsuit by negotiating and to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. After a full-day mediation session, plus subsequent continued settlement discussion, the negotiations were successful. By signing a lengthy written settlement agreement ("Settlement Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Lawsuit and enforcing the Settlement 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) Settlement is in the best interests of the Class Members. 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 \$1,200,000 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 Settlement Payments, Class Representative Service Award, Class Counsel’s Attorney’s Fees and Costs, the Settlement Administrator’s Expenses, and PAGA Payment. Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement not more than 15 days after the Final Approval Order entered by the Court become final. The Final Approval Order will be final on the date the Court enters it, or a later date if Settlement Class Members object to the proposed Settlement or the Final Approval Order 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 \$400,000 (33.3% of the Gross Settlement) to Class Counsel for attorneys’ fees and up to \$25,000 for their litigation costs. To date, Class Counsel have worked and incurred expenses on the Lawsuit without payment.
- B. Up to \$8,000 as a Class Representative Service Award for filing the Lawsuit, working with Class Counsel, representing the Class, and executing a broader general release. A Class Representative Service Award will be the only monies Plaintiff will receive other than Plaintiff’s Individual Settlement Payment.
- C. Up to \$25,000 to the Administrator for services administering the Settlement.
- D. \$120,000 shall be the PAGA Payment designated towards penalties pursuant to California Labor Code section 2698 *et seq.*, of which the LWDA will be paid in the amount of \$90,000 (75% of the PAGA Payment) and \$30,000 (25% of the PAGA Payment) shall remain available for distribution on a *pro rata* Pay Periods basis to all PAGA Group Members.

Settlement Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Settlement 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 Settlement Payments to Settlement Class Members based on their Class Period Workweeks and to Aggrieved Employees based on their PAGA Period Pay Periods.

4. Taxes Owed on Payments to Class Members. Plaintiff and Defendants are asking the Court to approve an allocation of 20% of each Individual Settlement Share to taxable wages (“Wage Portion”) and 80% of each Individual Settlement Share will be considered interest and penalties (equal split, *i.e.*, 40% interest and 40% penalties) (“Non-Wage Portion”). If applicable, any individual PAGA payment is allocated entirely as Non-Wage Portion penalties. 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 Administrator will report the Non-Wage Portions of the Individual Settlement payments on IRS 1099 Forms.

Although Plaintiff and Defendants have agreed to these allocations, neither side is giving you any advice on whether your Individual Settlement Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Individual Settlement 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 Settlement 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; or
- ☐ will irrevocably lost to you because they will be paid to a non-profit organization or foundation (“cy pres”).

If the monies represented by your check is sent to the Controller’s Unclaimed Property, 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 Settlement Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [REDACTED], 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 [REDACTED] Response Deadline. The Request for Exclusion should be a letter from and signed by the Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, mailing address, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (*i.e.*, Non-Participating Class Members) will not receive Individual Settlement Payments, but will preserve their rights to personally pursue wage and hour claims against Defendants.

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 enter a Final Approval Order. It is also possible the Court will enter a Final Approval Order that is reversed on appeal. Plaintiffs 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, [REDACTED] (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 and/or 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. Settlement Class Members’ Release. After the Effective Date and Defendants have fully funded the Gross Settlement (and separately paid all employer payroll taxes), the Settlement will bind all Class Members who have not requested exclusion from the Settlement, and will bar all Settlement Class Members from asserting certain claims against Defendants as described below.

The Settlement includes a release by Settlement Class Members (defined as those Class Members who do not submit a timely request to be excluded) of Defendants Southside Pizza, Inc. and Prima Pizza, Inc., as well as their current and former agents, officers, employees, directors, owners, subsidiaries, affiliates, parent companies, insurers, and attorneys (“Released Parties”), and each of them, of and from all Settlement Class Members’ Released Claims during the Class Period as set forth below.

The Settlement Class Members’ Released Claims include all claims pled or could have been pled based on the factual allegations contained in the operative complaint which occurred during the Class Period, including, but not limited to claims under California Labor Code §§ 201, 202, 203, 204, 210, 221, 226(a), 226.3, 226.7, 350, 351, 510, 512, 558(a), 1174, 1174.5, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802, and California Business and Professions Code section 17200, *et seq.* that could have been premised on the claims pled or legal theories of relief pled in the operative complaint, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, and class claims outside of the Class Period. The time period of this release is the Class Period (again, December 23, 2016 through December 31, 2022).

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Settlement Shares. The Administrator will calculate Individual Settlement Shares by: (a) summing all Settlement Class Members’ individual workweeks to determine the “Total Workweeks” during the Class Period; (b) dividing the Net Settlement Amount by the Total Workweeks to yield the Workweeks Value”; and (c) multiply the individual Settlement Class Member’s respective individual Workweeks by the Workweeks Value.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by: (a) dividing \$30,000 by the total number of Pay Periods worked by all Aggrieved Employees (also known as PAGA Group Members) during the PAGA Period; and (b) multiplying that result by the number of Pay Periods worked by the individual Aggrieved Employee/PAGA Group Member.

3. Individual Settlement Payments. The net payment of each Settlement Class Member's Individual Settlement Share (after reduction of Employee Taxes) and individual PAGA payment (if applicable) is referred to as his or her Individual Settlement Payment.

4. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until [REDACTED] 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 Defendants' 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 Settlement Class Members) and Defendants' Counsel. If the Parties and the Administrator do not reach agreement, the Court will make the final determination as to how many Workweeks and/or Pay Periods should be credited.

5. HOW WILL I GET PAID?

1. Settlement Class Members. The Administrator will send, by U.S. mail, a single check to every Settlement 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 Settlement Share 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?

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 be excluded. Be sure to personally sign your request, identify the Lawsuit as “*Manzo v. Southside Pizza, Inc., et al.* Case No. 20STCV4887,” and include your identifying information (full name, address, and telephone number) for verification purposes. 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 [REDACTED], 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 Settlement 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 [REDACTED] 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 (2) a Motion for Fees, Litigation Expenses and Service Award 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 them on the Administrator’s Website [REDACTED].

A Settlement Class Member who disagrees with any aspect of the Settlement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award 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 [REDACTED]. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Be sure to personally sign your objection, make sure you identify the Lawsuit as “*Manzo v. Southside Pizza, Inc., et al.* Case No. 20STCV4887,” and include your identifying information (full name, address, and telephone number) for verification purposes. Section 9 of this Notice has the Administrator’s contact information.

Alternatively, a Settlement 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 [REDACTED] at [REDACTED] in Department 1 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, the Administrator, and allocated as part of the PAGA Payment. The Court will invite comment 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 [REDACTED] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Settlement Agreement sets forth everything Defendants and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Settlement Agreement, the Judgment, or any other Settlement documents is to go to [REDACTED]'s website at [REDACTED]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the case number for the Lawsuit, Case No. 20STCV4887. 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:

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Settlement Administrator:

[Name of Company]
[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 [REDACTED] for instructions on how to retrieve the funds; or
- ☐ you will have no way to recover the money.

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.