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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF MERCED

JASON ADAMS, RAUL ALVARADO, EMMA
SARWAR, SERGIO RODRIGUEZ, and
SHENITA TATUM, as private attorneys general
and as an individual and on behalf of all others
similarly situated,

Plaintiffs,

vs.

SCHOLLE IPN PACKAGING, INC., a Nevada
corporation; SCHOLLE PACKAGING, INC., a
Nevada corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No. 20CV-02350

**DECLARATION OF SIMON L. YANG IN
SUPPORT OF PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: January 9, 2025
Time: 8:15 a.m.
Department: 8

Complaint Filed: August 17, 2020
FAC Filed: August 30, 2024

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9 Attorneys for Plaintiffs Alvarado, Sarwar, and Rodriguez

1 I, Simon L. Yang, declare as follows:

2 1. I am an attorney admitted to practice in the State of California and, with the law firm
3 Diversity Law Group, P.C., am counsel of record for Plaintiffs Jason Adams and Shenita Tatum. I make
4 this declaration on the basis of my own personal knowledge, except as to those matters stated on
5 information and belief and, as to those matters, I believe them to be true. If called as a witness, I could
6 testify competently as to the facts stated in this declaration.

7 2. On August 3, 2020, and dates thereafter, Plaintiff Adams sent notices to the Labor &
8 Workforce Development Agency (“LWDA”) and Defendants Scholle Packaging, Inc. and Scholle IPN
9 Packaging, Inc. (now known as SIG Packaging LLC) regarding violations of the Labor Code. On August
10 17, 2020, Plaintiff Adams filed the original complaint in this matter pursuing class action claims on
11 behalf of a putative class of current and former non-exempt employees of Defendants in the State of
12 California and claims under the Labor Code Private Attorneys General Act of 2004 (“PAGA”). On
13 October 24, 2019, Plaintiffs Alvarado, Sarwar, and Rodriguez (the “*Alvarado* Plaintiffs”) separately
14 filed a class action lawsuit against Defendants that also alleged Labor Code violations.

15 3. Upon the filing of the complaints, Plaintiff Adams, the *Alvarado* Plaintiffs, and
16 Defendants met and conferred about the alleged claims. On numerous dates, Plaintiffs and Defendants
17 exchanged information and documents that Plaintiffs contended supported the claims and that
18 Defendants contended supported their defenses. The Parties also propounded and responded to formal
19 discovery requests. Class Counsel continued investigating the alleged claims and analyzing any defenses
20 raised by Defendants. Plaintiff Adams, the *Alvarado* Plaintiffs, and Defendants agreed to schedule a
21 mediation to potentially resolve the claims. Defendants provided their written policies and classwide
22 data, among other things—enabling Plaintiffs to assess the value of Class Members’ claims and further
23 enabling negotiations to take place between the Parties.

24 4. On January 24, 2023, Plaintiff Adams and the *Alvarado* Plaintiffs agreed with Defendants
25 to attend a global mediation with Michael D. Young, an experienced mediator knowledgeable of both
26 the wage and hour laws and class and representative action claims at issue. Despite their best efforts at
27 mediation, Plaintiff Adams and the *Alvarado* Plaintiffs were unable to agree with Defendants to any
28 resolutions of their respective matters. Plaintiff Adams and the *Alvarado* Plaintiffs continued litigating

1 their respective matters while simultaneously continuing settlement discussions with the mediator.
2 Meanwhile, on August 25, 2023, Plaintiff Tatum separately filed a class action lawsuit against
3 Defendants that also alleged Labor Code violations.

4 5. Ultimately, on June 10, 2024, with the mediator's assistance and based upon a mediator's
5 proposal, the Parties were able to agree to settlement terms, which were negotiated in light of all known
6 facts and circumstances—including the uncertainty associated with litigation of the respective matters,
7 the risks of significant delay, and numerous potential appellate issues. The settlement terms were
8 memorialized in the Joint Stipulation of Class Action and PAGA Settlement (the "Agreement"), a true
9 and correct copy of which is attached as **Exhibit 1**. The Agreement resolves all pending matters.
10 Pursuant to the settlement terms, the *Alvarado* Plaintiffs and Plaintiff Tatum join Plaintiff Adams in
11 alleging their claims in the First Amended Complaint that was filed on August 30, 2024.

12 6. The Agreement requires Defendant to pay \$1,957,410.00—or approximately \$2,899.87
13 gross, on average, per Class Member. As discussed below, this amounts to approximately 10.73% of
14 Defendants' potential liability and is an excellent result for Class Members. To wit, Plaintiffs contend
15 that class claims under Labor Code section 226(e) result in a \$50 penalty for the first non-compliant
16 wage statement to each Class Member and a \$100 penalty for each additional non-compliant wage
17 statement to the Class Member, up to a maximum of \$4,000 per Class Member. With respect to meal
18 and rest break violations, Plaintiffs contend that Defendants would be liable for an additional hour of
19 regular rate wages under Section 226.7. Plaintiffs also contend that Defendants would owe underpaid
20 minimum wages, overtime, and sick pay wages—as well as Section 203 penalties of up to 30 days
21 wages. Plaintiffs additionally contend that Defendants would be liable for actual Class Member
22 expenses under Section 2802. Moreover, under PAGA, Plaintiffs contend that Defendants also would be
23 liable for an additional \$100 per pay period under Section 2699(f).

24 7. Defendants contest the merits and deny they are liable at all. Moreover, even if Plaintiffs
25 prevail on the merits, Defendants contest the extent of liability. For example, with respect to liability for
26 underpaid wages, overtime, and additional hours of regular rate wages, Defendants contend that there is
27 little evidence of widespread failure to pay wages or overtime and that the violation rate for meal breaks
28 was extremely low. Defendants further contend that they would not be subject to Section 203 penalties,

1 based on good-faith defenses. Likewise, with respect to wage statement liability, Defendants contend
2 that liability under Section 226(e) would be subject to additional defenses requiring proof of injuries
3 resulting from knowing and intentional violations. Defendants similarly assert numerous other defenses
4 against each of Plaintiffs' claims. Finally, with respect to PAGA penalties, Defendants contend that the
5 circumstances are such that PAGA penalties would be subject to discretionary reductions.

6 8. While the Parties disagree on the application of the law to the facts, each Party
7 recognized in negotiations that, if taken to trial, the other Party would at least have reasonable
8 arguments, such that the Gross Settlement Amount to which the Parties ultimately agreed was
9 reasonable. Ultimately, based on an expert's analysis of classwide data at the time of mediation,
10 Plaintiffs argued that the potential total recovery amounted to approximately \$18,249,333.50—which
11 included approximately (i) \$3,707,336.15 as a result of meal break violations, (ii) \$3,487,875.53 as a
12 result of rest break violations, (iii) \$2,820,375.55 as a result of off-the-clock work, (iv) \$614,233.23 as a
13 result of rounding practices, (v) \$1,288,125.04 as a result of unreimbursed expenses, (vi) \$1,659,280.00
14 in wage statement penalties, (vii) \$1,486,008.00 in waiting time penalties, and (viii) \$3,186,100.00 in
15 PAGA penalties. Plaintiffs contend that the Gross Settlement Amount of \$1,957,410.00—approximately
16 10.73% of the potential total recovery of \$18,249,333.50—is an excellent result. Based on the terms of
17 the Agreement, it is expected that, on average, each Class Member would be allocated \$1,613.99 (*after*
18 all requested payments from the Gross Settlement Amount).¹

19 9. Although I am confident that litigation of the claims would result in a classwide judgment
20 against Defendants, I recognize the inherent risks in litigation, including the specific risks that class
21 certification could be denied, liability could not be established at trial, or the applicable law could
22 change. I recognize that the settlement resulting from extensive arm's length negotiations between the
23 Parties is fair, reasonable, and adequate for each participating Class Member, given the inherent risks of
24 litigation, as well as the potential for appeals and the costs of pursuing litigation.

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26
27 ¹ The amount paid on average to each Class Member may increase, depending on how many Class
28 Members opt out of the class action settlement. The amount actually paid to any Class Member may
increase or decrease depending on his or her number of relevant wage statements during the Class
Period.

1 10. I am one of the primary attorneys on this matter. My qualifications are as follows: After
2 completing my undergraduate education at The Wharton School at the University of Pennsylvania in
3 2004 with concentrations in Management and Human Resources, I continued studying labor and
4 employment issues by enrolling in post-graduate education at the School of Labor and Employment
5 Relations at the University of Illinois. I determined before enrolling in law school that I wanted to
6 practice labor and employment law in California. I thus received my J.D. from UCLA School of Law in
7 2008. During law school, I spent the summer of 2006 with the National Labor Relations Board, Region
8 21, and the summer of 2007 with the law firm of Seyfarth Shaw LLP in 2007.

9 11. Upon graduating from law school in 2008, I practiced labor and employment law at
10 Seyfarth Shaw LLP, a well-regarded labor and employment firm. I was elevated to partner in 2019. My
11 practice focused on wage and hour class, collective, and representative actions, with a particular
12 emphasis on matters involving the Labor Code Private Attorneys General Act of 2004 (“PAGA”).
13 During my time with Seyfarth Shaw LLP, I was a primary attorney on numerous wage and hour class,
14 collective, and representative actions that resulted in published opinions, including for example, *Ehret v.*
15 *WinCo Foods, LLC*, 26 Cal. App. 6th 1 (2018) (affirming summary judgment in PAGA action based on
16 absence of meal period violations in light of collectively bargained waiver of meal periods on shifts of
17 not more than six hours), and *Ruelas v. Costco Wholesale Corporation*, 67 F. Supp. 3d 1137 (C.D. Cal.
18 Sept. 8, 2014) (obtaining dismissal of wage statement allegations in PAGA representative action). I was
19 also able to obtain experience litigating representative claims or wage and hour matters through trial and
20 appeal. *E.g.*, *Velazquez v. Costco Wholesale Corporation*, 603 Fed. App’x 584 (9th Cir. Mar. 25, 2015)
21 (reversing award of waiting-time penalties based on lack of evidence supporting any willful failure to
22 pay wages); *Ward v. Costco Wholesale Corporation*, 552 Fed. App’x 631 (9th Cir. Jan. 9, 2014)
23 (affirming bench-trial judgment in favor of defendant against named plaintiff and 18 opt-in plaintiffs in
24 collective action with involving deductions from final paychecks). I also litigated class certification on
25 numerous matters. *E.g.*, *Martinez v. Guess?, Inc.*, Los Angeles Superior Court Case No. BC 498326
26 (denial of class certification on behalf of retail employees alleging off-the-clock work).

27 12. Based on my experience in wage and hour class, collective, and representative actions, I
28 have been interviewed and quoted in articles published in the Northern California Record about

1 legislative efforts to reform PAGA. I also have published articles on myriad topics relevant to wage and
2 hour class and representative action litigation, including for example articles on California kin care
3 requirements in *Employee Relations Law Journal* (Vol. 36, No. 2), the extraterritorial application of
4 California employment laws in *The Recorder* (134RD Year No. 28), and California meal and rest break
5 laws in *California Transportation News*, a publication of the California Construction Trucking
6 Association.

7 13. In 2020 I left Seyfarth Shaw LLP and joined my current firm, Diversity Law Group, P.C.,
8 which also focuses primarily on employment law. I have handled a number of wage and hour class and
9 representative actions and continue litigating such matters in numerous Superior Courts and District
10 Courts. From matters with both Seyfarth Shaw LLP and Diversity Law Group, P.C., I have successfully
11 mediated the resolution of dozens of wage and hour class, collective, and representative actions. I have
12 obtained class certification and been appointed class counsel, and numerous courts, including this Court,
13 have deemed me to be qualified to act as class counsel for settlement classes. No court has ever found
14 me to be inadequate class counsel.

15 14. My co-counsel and I will adequately represent the Class Members in this action.
16 Plaintiffs' Counsel have and will zealously represent Plaintiffs and the Class and pursue this lawsuit to
17 its conclusion.

18 15. Along with the filing of the motion for preliminary approval of the settlement in this
19 matter, a copy of the motion papers have also been uploaded to the Labor and Workforce Development
20 Agency ("LWDA") in compliance with Section 2699(1)(2) and (4). Similarly, upon approval of a
21 settlement in this matter, my regular practice would be to direct my office staff to upload a copy of the
22 Court's judgment, papers, or other orders awarding civil penalties under PAGA.

23 I declare under penalty of perjury under the laws of the State of California that the foregoing is
24 true and correct. Executed this 12th day of December 2024, at Pasadena, California.

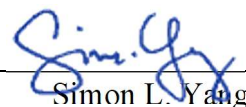
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EXHIBIT 1

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF MERCED

JASON ADAMS, RAUL ALVARADO, EMMA
SARWAR, SERGIO RODRIGUEZ, and
SHENITA TATUM, as private attorneys general
and as an individual and on behalf of all others
similarly situated,

Plaintiffs,

vs.

SCHOLLE IPN PACKAGING, INC., a Delaware
corporation; SCHOLLE PACKAGING, INC., a
Nevada corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No. 20CV-02350

[Hon. Brian L. McCabe, Department 8]

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

Complaint Filed: August 17, 2020
FAC Filed: August 30, 2024

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Attorneys for Plaintiffs Alvarado, Sarwar, and Rodriguez

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Joint Stipulation of Class Action and PAGA Settlement is entered into by and between Plaintiffs Jason Adams, Raul Alvarado, Emma Sarwar, Sergio Rodriguez, and Shenita Tatum, on the one hand, and Defendants SIG Packaging LLC (formerly known as Scholle IPN Packaging, Inc. and Scholle Packaging, Inc.), Scholle IPN Packaging, Inc., and Scholle Packaging, Inc. on the other hand.

1. Definitions

As used in this Agreement, the following terms shall have the following meanings:

1.1. Action. “Action” means the civil lawsuit originally entitled *Jason Adams v. Scholle IPN Packaging, Inc. et al.*, filed on or about August 17, 2020, in the Superior Court of the State of California for the County of Merced designated as Case No. 20CV-02350, as amended to include the parties and claims alleged in *Raul Alvarado et al. v. Scholle IPN Packaging, Inc. et al.*, Merced County Superior Court Case No. 19CV-04613, and *Shenita Tatum v. Scholle IPN Packaging, Inc.*, Merced County Superior Court Case No. 23CV-03082.

1.2. Administrator. “Administrator” means the third-party settlement administrator approved by the Court to administer the settlement.

1.3. Agreement. “Agreement” means this Joint Stipulation of Class Action and PAGA Settlement.

1.4. Class Counsel. “Class Counsel” means Larry W. Lee and Simon L. Yang of Diversity Law Group, P.C.; William L. Marder of Polaris Law Group; Edwin Aiwazian of Lawyers for Justice, P.C.; Graham B. LippSmith, MaryBeth LippSmith, Celene Chan Andrews, and Jaclyn L. Anderson of LippSmith LLP.

1.5. Class Member. “Class Member” means any current or former hourly-paid non-exempt employee who worked for Defendants in the State of California during the Class Period. Defendants represent that there are approximately 675 Class Members who worked approximately 102,751 workweeks from October 24, 2015, through September 28, 2024.

1.6. Class Notice. “Class Notice” means the Notice of Class Action Settlement, substantially in the form attached as Exhibit A.

1.7. Class Period. “Class Period” means October 24, 2015, through September 28, 2024.

1 **1.8. Court.** “Court” means the Superior Court of California for the County of Merced.

2 **1.9. Defendants.** “Defendants” means SIG Packaging LLC, Scholle IPN Packaging, Inc.,
3 and Scholle Packaging, Inc. Plaintiffs has brought the Action against Scholle IPN Packaging, Inc. and
4 Scholle Packaging, Inc. Plaintiffs had erroneously named Scholle Packaging, Inc., which is not a
5 separate company, but the prior name of Scholle IPN Packaging, Inc. On September 12, 2024, Scholle
6 IPN Packaging, Inc. became SIG Packaging LLC.

7 **1.10. Defendants’ Counsel.** “Defendants’ Counsel” means Kenneth D. Sulzer and Regina A.
8 Musolino of Constangy Brooks Smith & Prophete, LLP.

9 **1.11. Effective Date.** “Effective Date” means the date when all of the following events have
10 occurred: (i) the Stipulation of Settlement has been executed by all Parties, Class Counsel and
11 Defendants’ Counsel; (ii) the Court has given preliminary approval to the Stipulation of Settlement;
12 (iii) the Notice of Class Action Settlement has been given to the Class Members, providing them with
13 an opportunity to object to the terms of this Stipulation of Settlement or opt out of the settlement; (iv)
14 the Court has held a Final Approval Hearing and entered a Final Approval Order and Judgment
15 certifying the Settlement Class, and approving the Stipulation of Settlement, and no objections or
16 motions to intervene have been filed, or they were withdrawn before the Court entered a Final Approval
17 Order and Judgment; or, if an objection or motion to intervene have been filed and were not
18 subsequently withdrawn, the next business day after the period for filing any appeal, writ or other
19 appellate proceeding opposing the Court’s Final Approval Order and Judgment has elapsed without any
20 appeal, writ or other appellate proceeding having been filed; or (v) if a Class Member objects,
21 intervenes or files a motion to vacate the judgment approving the Settlement Agreement, and if a timely
22 appeal is filed, the date of final resolution of that appeal (including any requests for rehearing and/or
23 petitions for *certiorari*), resulting in final judicial approval of the Settlement Agreement..

24 **1.12. Final Approval Order.** “Final Approval Order” means an order granting final approval
25 of a settlement pursuant to this Agreement.

26 **1.13. Gross Settlement Amount.** “Gross Settlement Amount” means the maximum potential
27 settlement amount—inclusive of any Administration Costs, Attorneys’ Fees and Costs Award, Class
28

Representative Awards, PAGA Penalty Fund, and Individual Settlement Payments—that Defendants may be required to pay in connection with a Final Approval Order.

1.13.1. Administration Costs. “Administration Costs” means a Court approved payment from the Gross Settlement Amount to the Administrator for administering the settlement, which includes but is not limited to printing, distributing, and tracking Class Notices, processing any required tax payments and reporting, providing any required tax forms, distributing payments pursuant to a Final Approval Order, and providing necessary reports or declarations, as requested by the Court or Class Counsel and Defendants’ Counsel.

1.13.2. Attorneys’ Fees and Costs Award. “Attorneys’ Fees and Costs Award” means a Court approved payment from the Gross Settlement Amount for Class Counsel’s attorneys’ fees and costs associated with the litigation and resolution of the Action (excluding third-party Administration Costs separately addressed above).

1.13.3. Class Representative Awards. “Class Representative Awards” means Court approved payments from the Gross Settlement Amount to Plaintiffs in recognition of their efforts and work in prosecuting the Action on behalf of Class Members and in consideration of Plaintiffs’ additional general releases of claims inapplicable to Settlement Class Members.

1.14. Individual Settlement Payment. “Individual Settlement Payment” means a Class Member’s potential payment from the Net Settlement Amount and PAGA Penalty Fund.

1.14.1. Individual Class Payment. “Individual Class Payment” means a Settlement Class Member’s potential payment from the Net Settlement Amount for settlement of class action claims.

1.14.2. Individual PAGA Payment. “Individual PAGA Payment” means an PAGA Employee’s potential payment from the PAGA Penalty Fund for settlement of PAGA claims.

1.15. LWDA Payment. “LWDA Payment” means a payment of 75% of the PAGA Penalty Fund to the Labor & Workforce Development Agency (“LWDA”).

1.16. Net Settlement Amount. “Net Settlement Amount” means the remainder of the Gross Settlement Amount after Court approved deductions for the PAGA Penalty Fund, Attorneys’ Fees and Costs Award, Class Representative Awards, and Administration Costs.

1 **1.17. PAGA Employee.** “PAGA Employee” means any current or former hourly-paid non-
2 exempt employee who worked for Defendants in the State of California during the PAGA Period.
3 Defendants represent that there are approximately 521 PAGA Employees.

4 **1.18. PAGA Penalty Fund.** “PAGA Penalty Fund” means the portion of the settlement
5 allocated to PAGA penalties.

6 **1.19. PAGA Period.** “PAGA Period” means April 19, 2020, through September 28, 2024.

7 **1.20. Parties.** “Parties” means Plaintiffs and Defendants.

8 **1.21. Plaintiffs.** “Plaintiffs” means Jason Adams, Raul Alvarado, Emma Sarwar, Sergio
9 Rodriguez, and Shenita Tatum.

10 **1.22. Preliminary Approval Order.** “Preliminary Approval Order” means an order granting
11 preliminary approval of a settlement pursuant to this Agreement.

12 **1.23. Released Party.** “Released Party” means Defendants, including SIG Packaging LLC,
13 and all entities affiliated with them, and all officers, directors, representatives, owners, partners,
14 subsidiaries, parent companies, joint venturers, clients, joint employers, predecessors, managers,
15 servants, successors-in-interest, assigns, current and former employees of Defendants, agents, insurers,
16 attorneys, and all persons or entities acting in concert with or affiliated with any of them.

17 **1.24. Settlement Class Members.** “Settlement Class Members” means Class Members who
18 do not exclude themselves from the class action settlement by complying with the procedures set forth
19 in the Class Notice to opt out of the class action settlement.

20 **2. Recitals**

21 **2.1. Initiation of Action.** On or about August 3, 2020, and dates thereafter, Plaintiff Adams
22 sent notices to the LWDA and Defendants regarding violations of the Labor Code. On August 17,
23 2020, Plaintiff Adams filed the original complaint in this matter pursuing class action claims on behalf
24 of a putative class of current and former non-exempt employees of Defendants in the State of California
25 and claims under the Labor Code Private Attorneys General Act of 2004 (“PAGA”).¹
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27

28 ¹ Plaintiff Adams confirms that his employment with Defendants ended on or before December 31,
2023.

1 **2.2. Initiation of *Alvarado* and *Tatum* Actions.** On or about October 24, 2019, Plaintiffs
2 *Alvarado*, Sarwar, and Rodriguez separately filed a class action lawsuit against Defendants that also
3 alleged Labor Code violations. Similarly, on or about August 25, 2023, Plaintiff *Tatum* separately filed
4 a class action lawsuit against Defendants that also alleged Labor Code violations.

5 **2.3. Class Counsel's Investigation.** On numerous dates, Plaintiffs and Defendants met and
6 conferred about the alleged claims. The Parties engaged in informal and formal discovery, and the
7 Parties exchanged information and documents that Plaintiffs contended supported the claims and that
8 Defendants contended supported their defenses. Class Counsel continued investigating the alleged
9 claims and also analyzed any defenses raised by Defendants. Ultimately, Defendants agreed to schedule
10 a mediation to potentially resolve the claims that Plaintiffs raised in their various lawsuits.

11 **2.4. Mediation.** On January 24, 2023, Plaintiff Adams and the *Alvarado* plaintiffs agreed
12 with Defendants to attend a global mediation with Michael D. Young, an experienced mediator
13 knowledgeable of both the wage and hour laws and class and representative action claims at issue in the
14 Action. Despite their best efforts at mediation, Plaintiff Adams and the *Alvarado* plaintiffs were unable
15 to agree with Defendants to any resolutions of the matters.

16 **2.5. Ongoing Litigation and Settlement.** The Parties continued litigating their respective
17 matters while simultaneously continuing settlement discussions with the mediator. Ultimately, on June
18 10, 2024, with the mediator's assistance and based upon a mediator's proposal, the Parties were able to
19 agree to settlement terms. Pursuant to the settlement terms, the *Alvarado* plaintiffs and *Tatum* plaintiff
20 join Plaintiff Adams in alleging and settling their classwide claims in this Action. The settlement was
21 achieved after extensive arm's length negotiations in light of all known facts and circumstances—
22 including the uncertainty associated with litigation, the risks of significant delay, and numerous
23 potential appellate issues. The *Alvarado* action is currently stayed. The *Tatum* action has been
24 dismissed. The Parties agree that Defendants need not respond to the amended *Adams* complaint filed
25 solely for purposes for settlement approval. By this agree, Defendants are not waiving their right to
26 respond and assert any and all relevant affirmative defenses.

27 **2.6. No Admission of Liability.** Defendants denied and continue to deny all of the
28 allegations made by Plaintiffs in the Action. Although Defendants denied and continue to deny all of

1 the allegations made by Plaintiffs in the Action, Defendants—without admitting or conceding any
2 liability or wrongdoing whatsoever—have agreed to settle the Action on the terms and conditions set
3 forth in this Agreement for the sole purpose of avoiding the burden, expense, and uncertainty of
4 continuing the Action.

5 **2.7. Class Counsel's Evaluation.** Based on Class Counsel's ongoing investigation and
6 evaluation, Class Counsel is of the opinion that the terms set forth in this Agreement are fair,
7 reasonable, adequate, and in the best interests of Class Members.

8 **2.8. Certification of Settlement Class.** This Agreement is contingent upon the approval and
9 certification by the Court of a class for purposes of settlement. The Parties agree to cooperate and take
10 all steps necessary and appropriate to effectuate all aspects of this Agreement and to obtain a
11 Preliminary Approval Order and then Final Approval Order.

12 **3. Notice to Class Members**

13 **3.1. Administrator.** Plaintiffs and Class Counsel shall request that the Court appoint
14 Phoenix Settlement Administrators as the Administrator for purposes of sending notice of the
15 settlement to Class Members. The Parties agree that Administration Costs should not exceed
16 \$10,500.00.

17 **3.2. Class Data for Administrator.** Within 14 calendar days of the Preliminary Approval
18 Order, Defendant shall provide to the Administrator each Class Member's last known mailing address,
19 as well as data sufficient for the Administrator to perform all necessary responsibilities pursuant to this
20 Agreement.

21 **3.3. Class Notice of Settlement.** The Administrator shall send Class Notice to Class
22 Members to provide notice of settlement within 28 calendar days of the Preliminary Approval Order,
23 pursuant to the procedures below. This shall be the sole means of notice to Class Members.

24 **3.4. Mailing of Notice.** The Administrator shall send Class Notice to each Class Member via
25 First Class U.S. Mail, using the last known mailing address for each Class Member, based on class data
26 provided by Defendant. Any Class Notice returned to the Administrator as undeliverable shall be sent
27 promptly via First Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address
28

1 is provided, the Administrator shall promptly attempt to determine the correct address using a single
2 skip-trace search and shall then promptly send a single re-mailing.

3 **3.5. Proof of Mailing.** The Administrator shall provide Class Counsel and Defendants'
4 Counsel a declaration of due diligence and proof of mailing with regard to mailing of Class Notice.

5 **4. Class Members' Response Options**

6 **4.1. Consideration Period.** Class Members shall be provided 45 calendar days after the
7 postmark date of the initial mailing of Class Notice to exercise any rights to opt out of or object to the
8 class action settlement. Except as provided herein, no Class Member responses that are postmarked
9 more than 45 calendar days after the initial mailing of Class Notice shall be considered. The Parties
10 shall do nothing to encourage or solicit Class Members to opt out of or object to the class action
11 settlement.

12 **4.2. Objection Right and Effect.** Settlement Class Members shall be given the opportunity
13 to object to the terms of the class action settlement. Settlement Class Members may object to the class
14 action settlement by mailing to the Administrator an objection within 45 calendar days after the
15 postmark date of the initial mailing of Class Notice, which describes the objection and states any
16 intention to appear at the final approval hearing. Absent good cause as determined by the Court, any
17 Settlement Class Member who does not comply with the objection procedures in the Class Notice shall
18 be deemed to have waived any objections and shall be foreclosed from making any objection, whether
19 by appeal or otherwise, to the class action settlement. Settlement Class Members who object to the
20 class action settlement pursuant to the terms of the Class Notice shall remain subject to being bound by
21 the release provisions in this Agreement pursuant to a Final Approval Order and shall remain eligible to
22 receive an Individual Class Payment.

23 **4.3. Opt-Out Right and Effect.** Class Members shall be given the opportunity to opt out of
24 the class action settlement. Class Members may opt out of the class action settlement by mailing to the
25 Administrator a Request for Exclusion within 45 calendar days after the postmark date of the initial
26 mailing of Class Notice. Any Request for Exclusion that does not comply with the procedures in the
27 Class Notice shall be deemed void and ineffective. Class Members who opt out of the class action
28 settlement pursuant to the terms of the Class Notice shall not receive any Individual Class Payments,

1 shall not be bound by the class action release provisions in this Agreement pursuant to a Final Approval
2 Order, and shall not be permitted to object to the settlement or appeal. If a Class Member submits both
3 a Request for Exclusion and an objection, the Administrator shall attempt to determine whether the
4 Class Member would like to withdraw either the Request for Exclusion or the objection. If the Class
5 Member does not withdraw a Request for Exclusion, or if the Administrator cannot contact the Class
6 Member who submits both a Request for Exclusion and an objection, the Request for Exclusion shall
7 be deemed valid and shall be deemed to invalidate the objection.

8 **4.4. PAGA Exclusion.** Because this settlement resolves claims and actions brought pursuant
9 to PAGA by Plaintiffs acting as a proxy and as private attorneys general of, and for, the State of
10 California and the LWDA, the Parties agree that no PAGA Employee has the right to exclude himself
11 or herself from settlement of PAGA claims, and all PAGA Employees will receive their shares of the
12 PAGA Penalty Fund. The Parties also agree that no PAGA Employee has the right to object to the
13 PAGA Penalty Fund.

14 **4.5. Objection Response.** The Administrator must provide a copy of any objection received
15 to Class Counsel and Defendants' Counsel upon receipt. Either of the Parties may file a response to any
16 written objection no later than five court days before the final approval hearing.

17 **4.6. Defendants' Right to Terminate.** If more than 10.0% of Class Members opt out of the
18 class action settlement, then Defendant shall have the right to terminate the Agreement by notifying
19 Plaintiffs' Counsel within 20 calendar days of notification that more than 10.0% of Class Members
20 have opted out of the class. If Defendant exercises the right to terminate the Agreement, Defendant
21 shall be responsible for any Administration Costs incurred to date.

22 **4.7. Proof of Class Members' Responses.** As soon as practicable after the end of the
23 consideration period, the Administrator shall provide a declaration attesting to (by number of relevant
24 individuals), its mailing of Class Notice, its inability to deliver Class Notice due to invalid addresses,
25 and its receipt of valid Requests for Exclusion or objections. The Administrator shall prepare any
26 supplemental declarations regarding the administration of the settlement, as necessary or as jointly
27 requested by the Parties or the Court.
28

1 **5. Settlement Proceeds**

2 **5.1. Gross Settlement Amount.** Defendant agrees to pay a non-reversionary Gross
3 Settlement Amount of \$1,957,410.00. The Gross Settlement Amount was negotiated based on the
4 Parties' understanding that there were approximately 93,210 relevant Class Member workweeks from
5 October 24, 2015, to December 15, 2023. As discussed above, if the actual number of relevant Class
6 Member workweeks since October 24, 2015, increased by more than 10.0% (more than 102,531) before
7 preliminary approval, the Class Period shall end as of the end of the workweek in which Class
8 Members will have worked 102,531 workweeks since October 24, 2015. During the pay period ending
9 September 28, 2024, the Class Members worked 102,531 workweeks (102,751 workweeks through
10 September 28, 2024). As such, the Parties agree that the Class Period ends on September 28, 2024.
11 Except for the employer share of payroll taxes, under no other circumstance will Defendants' payment
12 exceed the Gross Settlement Amount.

13 **5.1.1. Attorneys' Fees and Costs.** Class Counsel intends to request—and Defendants
14 agree not to oppose—that the Court approve an Attorneys' Fees and Costs Award in the amount of (a)
15 33⅓% of the Gross Settlement Amount (or \$652,470.00) and (b) litigation costs of up to \$35,000.00.
16 Except as stated in this Agreement, the Parties are to be responsible for their own attorneys' fees and
17 costs.

18 **5.1.2. Class Representative Awards.** Class Counsel intends to request—and
19 Defendants agree not to oppose—that the Court approve a Class Representative Award of \$10,000.00
20 for each Plaintiff. Any Class Representative Awards would be supplemental to Plaintiffs' Individual
21 Settlement Payments.

22 **5.1.3. Administration Costs.** Class Counsel intends to request—and Defendants agree
23 not to oppose—that the Court approve Administration Costs of up to \$10,500.00. The Parties agree to
24 cooperate in the settlement administration process and to make all reasonable efforts to control and
25 minimize Administration Costs.

26 **5.1.4. PAGA Penalty Fund and LWDA Payment.** The Parties intend to request that
27 the Court approve a PAGA Penalty Fund of \$120,000.00. The PAGA Penalty Fund shall be distributed
28 pursuant to statute with 75% of the PAGA Penalty Fund payable as an LWDA Payment. The remaining

25% of the PAGA Penalty Fund is to be payable from the Gross Settlement Amount as Individual PAGA Payments to PAGA Employees.

5.1.5. Differences in Requested and Approved Payments. If the Court does not approve the requested amounts for the Attorneys' Fees and Costs Award, Class Representative Awards, or Administration Costs, or PAGA Penalty Fund, any differences in the requested and approved amount shall be allocated to the Net Settlement Amount from the Gross Settlement Amount.

5.2. Net Settlement Amount. After deducting the approved Attorneys' Fees and Costs Award, Class Representative Awards, Administration Costs, and PAGA Penalty Fund from the Gross Settlement Amount, the Net Settlement Amount shall be allocated entirely to Settlement Class Members.

5.3. Individual Settlement Payments. Individual Settlement Payments shall be distributed to PAGA Employees and Settlement Class Members, without the need to submit a claim form. The Administrator shall calculate the amounts of payments described below. If a Class Member disputes any employee data, disputes will be resolved and decided by the Administrator, and the Administrator's decision on all disputes will be final and non-appealable.

5.3.1. Individual PAGA Payments. The 25% portion of the PAGA Penalty Fund shall be distributed to PAGA Employees as Individual PAGA Payments and proportionally allocated among PAGA Employees based on the total number of workweeks for each Settlement Class Member during the PAGA Period. Individual PAGA Payments shall be subject to IRS Form 1099 reporting.

5.3.2. Individual Class Payments. The Net Settlement Amount shall be distributed to Settlement Class Members as Individual Class Payments and proportionally allocated among Settlement Class Members based on the total number of workweeks for each Settlement Class Member during the Class Period. 10% of Individual Class Payments shall be allocated to wages and subject to IRS Form W-2 reporting; the remainder of Individual Class Payments shall be allocated to interest and penalties and subject to IRS Form 1099 reporting.

5.4. No Tax Advice or Liability. The Administrator shall issue an IRS Form 1099 to Plaintiffs for any Class Representative Awards, to Class Counsel for any Attorneys' Fees and Costs Award, to the LWDA for any LWDA Payment, and to the Administrator for any Administration Costs.

1 The Parties have had an opportunity to consult with independent tax counsel. The Parties are not giving
2 any tax advice in connection with the settlement or any payments to be made pursuant to the
3 Agreement. The Parties do not intend anything contained in this Agreement to constitute legal advice
4 regarding the taxability of any amount paid hereunder, nor shall anything in this Agreement be relied
5 upon as such. By participating in the settlement, each Class Member shall agree to be solely and legally
6 responsible for paying any applicable taxes on their respective Individual Settlement Payments and
7 shall indemnify and hold harmless the Parties from any claim or liability for taxes, penalties, or interest
8 arising as a result of the payments.

9 **5.5. Funding and Distribution.** Within 60 calendar days after the Effective Date but no
10 earlier than January 15, 2025, Defendant shall deposit the Gross Settlement Amount with the
11 Administrator. Within seven calendar days after the deposit of funds, the Administrator shall distribute
12 all amounts to be paid pursuant to the Final Approval Order. Upon completion of administration of the
13 settlement, the Administrator shall provide written certification of such completion to Class Counsel
14 and Defendants' Counsel.

15 **5.6. Undeliverable or Uncashed Checks.** All uncashed or undeliverable settlement checks
16 will expire 180 days after the postmarked date of their initial mailing. After 180 days, the sum value of
17 all expired checks will be tallied by the Administrator. The Administrator shall direct the principal for
18 any expired checks in accordance with the Final Approval Order. The Parties shall request that the
19 Court order that the total amount of any uncashed settlement checks will be transmitted by the
20 Administrator to the California Controller's Office Unclaimed Property Division, with an identification
21 of the Participating Class Member to whom the funds belong, in accordance with Code of Civil
22 Procedure section 384.

23 **6. Releases**

24 **6.1. Releases by Settlement Class Members.** By operation of the entry of the Final
25 Approval Order, and except as to such rights or claims as may be created by this Agreement, all
26 Settlement Class Members fully release Defendants and each Released Party from any and all claims
27 that were alleged, or reasonably could have been alleged, based on the Class Period, in the operative
28 complaint, including claims for: (1) Failure to Pay Overtime Wages in violation of Cal. Lab. Code §§

510 and 1198; (2) Failure to Provide Meal Periods or Meal Period Premiums in Lieu Thereof in violation of Cal. Lab. Code §§ 226.7 and 512(a); (3) Failure to Provide Rest Periods or Rest Period Premiums in Lieu Thereof in violation of Cal. Lab. Code § 226.7; (4) Failure to Pay Minimum Wages in violation of Cal. Lab. Code §§ 1194, 1197, and 1197.1; (5) Failure to Pay Final Wages when Due in violation of Cal. Lab. Code §§ 201, 202 and 203; (6) Failure to Reimburse Employees for Required Expenses in violation of Cal. Lab. Code § 2802 (including but not limited to claims for alleged failures to reimburse for uniforms (including shoes), cellphone related expenses and tools); and (7) Failure to Pay Sick Pay Wages in violation of Cal. Lab. Code §§ 201-204, 233, 246 or those which could have been pled in the operative complaint in the Action based on the factual allegations therein.

6.2. Releases by LWDA. By operation of the entry of the Final Approval Order, and except as to such rights or claims as may be created by this Agreement, Plaintiff as a proxy for the State and the LWDA fully release Defendant and each Released Party from any and all PAGA claims arising during the PAGA Period that are based on the Labor Code violations pled in the operative complaint, including those specified in Paragraph 6.1 of this Agreement, in the Action.

6.3. Additional Releases by Plaintiffs. In addition to the above releases applicable to Plaintiffs as Settlement Class Members and PAGA Employees, Plaintiffs also generally release all claims, known or unknown, in favor of each Released Party, including a waiver of Civil Code section 1542. Plaintiffs expressly waive all rights provided by Civil Code section 1542 that Plaintiffs may have against each Released Party. Civil Code section 1542 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.

Plaintiffs acknowledge that they have read the entirety of the Agreement, including the above language from the Civil Code, and that they fully understand both the Agreement and Civil Code section 1542. By executing this Agreement, Plaintiffs expressly waive any benefits and rights granted pursuant to Civil Code section 1542.

1 **7. Court Approval**

2 **7.1. Preliminary Approval.** Plaintiffs shall submit a motion seeking a Preliminary Approval
3 Order, which would, among other things: (i) preliminarily approve the proposed settlement according
4 to the terms of this Agreement; (ii) set a date for a final approval hearing; and (iii) provide for Class
5 Notice to be sent to Class Members as specified herein. Plaintiffs' counsel will provide to Defendants'
6 counsel a draft of the preliminary approval motion five calendar days prior to the filing of this motion.

7 **7.2. Final Approval.** Not later than 16 court days before the date set by the Court for a final
8 approval hearing, or such other time as the Court requires, Plaintiffs shall submit a motion seeking a
9 Final Approval Order, which would, among other things: (i) approve the settlement, (ii) deem the terms
10 to be fair, reasonable, and adequate, (iii) approve the releases, (iv) direct that the settlement's terms and
11 provisions be carried out; (v) enter final judgment; and (vi) retain jurisdiction to oversee administration
12 and enforcement of the terms of this Agreement and the Court's orders. Plaintiffs' counsel will provide
13 to Defendants' counsel a draft of the final approval motion five calendar days prior to the filing of this
14 motion.

15 **7.3. Alvarado Complaint.** If the Court grants final approval of this settlement, the *Alvarado*
16 Plaintiffs will request that the Court dismiss the *Alvarado* complaint in its entirety.

17 **7.4. Effect of Failure to Obtain Final Approval.** In the event the Court effects a material
18 change or fails to enter a Final Approval Order in accordance with this Agreement, or such Final
19 Approval Order is vacated, then this entire Agreement shall be void and unenforceable, the Action shall
20 proceed as if no settlement has been attempted, and the costs of administration shall be split equally
21 between the Parties, subject to the Parties' agreement to the contrary. In such event, except as otherwise
22 stated in this Agreement, this Agreement and any documents in furtherance of this Agreement shall be
23 inadmissible in any future proceedings in this Action or any other action.

24 **7.5. Effect of Failure to Obtain Final Approval on the Pending Actions.** The claims and
25 plaintiffs added to the *Adams* litigation from the *Alvarado* and *Tatum* lawsuits were added for
26 settlement purposes only. In the event that the settlement is not approved or is otherwise null and void,
27 *Adams* Plaintiff agrees to withdraw the amended PAGA notice and First Amended Complaint. The
28

1 *Adams* action and the *Alvarado* action will revert to their separate status as of the time at the signing of
2 the MOU.

3 **8. Miscellaneous**

4 **8.1. Entire Agreement.** This Agreement constitutes the entire agreement between the
5 Parties with regard to the subject matter contained herein, and all prior and contemporaneous
6 negotiations and understandings between the Parties shall be deemed merged into this Agreement. The
7 signatories represent that they are fully authorized to enter into this Agreement and are fully authorized
8 to bind the Parties to all terms stated herein.

9 **8.1.1. Counterparts and Signatures.** This Agreement may be executed in
10 counterparts, and when all signatories have signed and delivered at least one such counterpart, each
11 counterpart shall be deemed an original, and when taken together with other signed counterparts, shall
12 constitute one signed Agreement, which shall be binding upon and effective as to all Parties. Any party
13 may sign and deliver this Agreement by signing on the designated signature block and transmitting that
14 signature page via e-mail to counsel for the other party. Any signature via DocuSign or other electronic
15 means or transmitted via e-mail shall be deemed an original signature and shall be binding upon the
16 party who transmits the signature page.

17 **8.1.2. Waivers, Modifications, Etc. to Be in Writing.** No waiver, modification, or
18 amendment of the terms of this Agreement, whether purportedly made before or after the Court's
19 approval of this Agreement, shall be valid or binding unless in writing, signed by or on behalf of all
20 Parties and then only to the extent set forth in such written waiver, modification, or amendment, subject
21 to any required Court approval. Any failure by any Party to insist upon the strict performance by the
22 other Party of any of the provisions of this Agreement shall not be deemed a waiver of future
23 performance of the same provisions or of any of the other provisions of this Agreement, and such Party,
24 notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of
25 any and all of the provisions of this Agreement.

26 **8.1.3. Construction.** The determination of the terms and conditions of this Agreement
27 has been by mutual agreement of the Parties. Each party participated jointly in the drafting of this
28 Agreement, and the terms and conditions of this Agreement are not intended to be, and shall not be,

1 construed against any party by virtue of draftsmanship. The captions of paragraphs of this Agreement
2 have been inserted for convenience of reference only and shall have no effect upon the construction or
3 interpretation of any part of this Agreement.

4 **8.1.4. Invalidity of Any Provision.** Before declaring any provision of this Agreement
5 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible so as
6 to render all provisions of this Agreement valid and enforceable.

7 **8.2. Further Acts and Cooperation Between the Parties.** The Parties shall cooperate and
8 use their best efforts to obtain the Court's approval of this Agreement and its terms. Each of the Parties,
9 upon the request of another, agrees to perform such further acts and to execute and deliver such other
10 documents as are reasonably necessary to carry out the provisions of this Agreement.

11 **8.3. Continuing Jurisdiction.** The Court shall retain jurisdiction over the implementation of
12 this Agreement as well as any and all matters arising out of, or related to, the implementation of this
13 Agreement and of the settlement contemplated thereby.

14 **8.4. Disputes.** If the Parties have a dispute with regard to the language of this Agreement,
15 they agree to engage mediator Michael D. Young to mediate any such dispute. The Parties will split the
16 costs of the mediator, and the Parties will bear their own fees and costs.

17 **8.5. Governing Law and Enforcement Actions.** All terms of this Agreement shall be
18 governed by and interpreted according to the laws of the State of California.

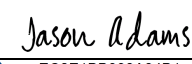
19 **8.6 No Public Comment.** Neither Plaintiffs nor Class Counsel shall issue any press release
20 or public announcement of any kind related in any way to the Settlement. Plaintiffs and Class Counsel
21 agree that, prior to seeking Preliminary Approval of the Settlement, they will keep the terms of this
22 Settlement confidential except for purposes of communicating with Plaintiffs only. Plaintiffs shall be
23 informed that the Settlement is confidential and shall be advised to keep the settlement confidential.
24 From and after Preliminary Approval of the settlement, Plaintiffs and Class Counsel may: (1) as
25 required by law; (2) as required under the terms of the settlement; or (3) as required under counsel's
26 duties and responsibilities as Class Counsel, comment regarding the specific terms of the settlement. In
27 all other cases, Plaintiffs and Class Counsel agree to limit their statements regarding the terms of the
28 Settlement, whether oral, written or electronic (including the world wide web), to say the Action has

1 been resolved and that Plaintiffs and Class Counsel are satisfied with the settlement terms. Nothing in
2 this Paragraph is intended to interfere with either Plaintiffs' or Class Counsel's duties and obligations
3 to faithfully discharge their obligations to Class Members, including but not limited to, communicating
4 with Class Members regarding the Settlement.

5 **[SIGNATURES ON FOLLOWING PAGE]**
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PLAINTIFF

Dated: October ²¹__, 2024

DocuSigned by:

Jason Adams

PLAINTIFF

Dated: October ²³__, 2024


Raul Alvarado II (Oct 23, 2024 11:40 PDT)
Raul Alvarado

PLAINTIFF

Dated: October __, 2024

Emma Sarwar

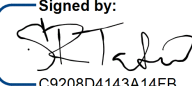
PLAINTIFF

Dated: October __, 2024

Sergio Rodriguez

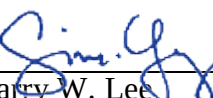
PLAINTIFF

Dated: October ²¹__, 2024

Signed by:

Shenita Tatum

COUNSEL FOR PLAINTIFFS ADAMS AND TATUM

Dated: October 21, 2024


Larry W. Lee
Simon L. Yang
DIVERSITY LAW GROUP, P.C.

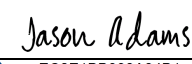
COUNSEL FOR PLAINTIFFS ALVARADO, SARWAR, AND RODRIGUEZ

Dated: October __, 2024

MaryBeth LippSmith
Celene Chan Andrews
LIPPSMITH LLP

PLAINTIFF

Dated: October ²¹, 2024

DocuSigned by:

Jason Adams

PLAINTIFF

Dated: October __, 2024

Raul Alvarado

PLAINTIFF

Dated: October ²³, 2024


Emma Sarwar (Oct 23, 2024 10:22 PDT)
Emma Sarwar

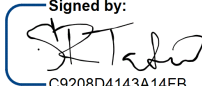
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Sergio Rodriguez

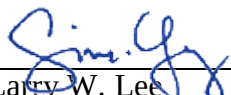
PLAINTIFF

Dated: October ²¹, 2024

Signed by:

Shenita Tatum

COUNSEL FOR PLAINTIFFS ADAMS AND TATUM

Dated: October 21, 2024


Larry W. Lee
Simon L. Yang
DIVERSITY LAW GROUP, P.C.

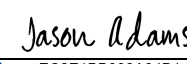
COUNSEL FOR PLAINTIFFS ALVARADO, SARWAR, AND RODRIGUEZ

Dated: October __, 2024

MaryBeth LippSmith
Celene Chan Andrews
LIPPSMITH LLP

PLAINTIFF

Dated: October ²¹__, 2024

DocuSigned by:

 Jason Adams EC2E1B8993A34B1...

PLAINTIFF

Dated: October __, 2024

Raul Alvarado

PLAINTIFF

Dated: October __, 2024

Emma Sarwar

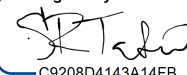
PLAINTIFF

Dated: October ²³__, 2024


 Sergio Rodriguez (Oct 23, 2024 10:40 PDT)
 Sergio Rodriguez

PLAINTIFF

Dated: October ²¹__, 2024

Signed by:

 C9208D4143A14EB
 Shenita Tatum

COUNSEL FOR PLAINTIFFS ADAMS AND TATUM

Dated: October 21, 2024


 Larry W. Lee
 Simon L. Yang
 DIVERSITY LAW GROUP, P.C.

COUNSEL FOR PLAINTIFFS ALVARADO, SARWAR, AND RODRIGUEZ

November 12, 2024
 Dated: October __, 2024


 MaryBeth LippSmith
 Celene Chan Andrews
 LIPPSMITH LLP

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DEFENDANT

Dated: October __, 2024

SIG PACKAGING LLC, SCHOLLE IPN
PACKAGING, INC.;SCHOLLE PACKAGING, INC.

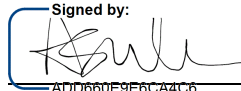
COUNSEL FOR DEFENDANTS

Dated: October __, 2024

Kenneth D. Sulzer
Regina A. Musolino
CONSTANGY BROOKS SMITH & PROPHETE, LLP

DEFENDANT

Signed by:



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Dated: October 25, 2024

SIG PACKAGING LLC, SCHOLLE IPN
PACKAGING, INC.;SCHOLLE PACKAGING, INC.

COUNSEL FOR DEFENDANTS

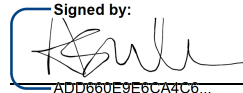


Dated: October 25, 2024

Kenneth D. Sulzer
Regina A. Musolino
CONSTANGY BROOKS SMITH & PROPHETE, LLP

DEFENDANT

Signed by:



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Dated: October 25, 2024

SIG PACKAGING LLC, SCHOLLE IPN
PACKAGING, INC.;SCHOLLE PACKAGING, INC.

COUNSEL FOR DEFENDANTS



Dated: October 25, 2024

Kenneth D. Sulzer
Regina A. Musolino
CONSTANGY BROOKS SMITH & PROPHETE, LLP

EXHIBIT A

This notice is being sent pursuant to a court order. This is not a solicitation from a lawyer.

NOTICE OF CLASS ACTION SETTLEMENT

*Jason Adams, Raul Alvarado, Emma Sarwar, Sergio Rodriguez, and Shenita Tatum
v. Scholle IPN Packaging, Inc. and Scholle Packaging, Inc.*

Superior Court of the State of California for the County of Merced, Case No. 20CV-02350

If you are a current or former hourly-paid non-exempt employee of SIG Packaging LLC, Scholle IPN Packaging, Inc., or Scholle Packaging, Inc. who worked in the State of California at any time from October 24, 2015, through September 28, 2024 (“Class Member”), you could receive a payment from a class action settlement (the “Settlement”).

Read this notice carefully, as your legal rights could be affected whether you act or not.

The Superior Court of the State of California for the County of Merced (the “Court”) has preliminarily approved a Settlement that could affect your rights. The proposed Settlement resolves a class action and Labor Code Private Attorneys General Act of 2004 (“PAGA”) action filed by Plaintiffs Jason Adams, Raul Alvarado, Emma Sarwar, Sergio Rodriguez, and Shenita Tatum against Defendants Scholle Packaging, Inc. and Scholle IPN Packaging, Inc. (now known as SIG Packaging LLC), which has been designated Case No. 34-2021-00308697 (the “Action”) and the operative complaint is the First Amended Complaint.

- The Action pursues claims against Defendants for (1) unpaid minimum wages and overtime; (2) failure to provide meal and rest periods; (3) unpaid sick pay wages; (4) failure to timely pay wages; (5) failure to provide accurate itemized wage statements; and (6) failure to reimburse business expenses. On these bases, the Action also pursues class action claims for unfair competition and non-class action PAGA claims.
- The Court has not decided that Defendants did anything wrong. Defendants deny Plaintiffs’ allegations and maintain that they have fully complied with the law. By agreeing to the Settlement, Defendants in no way admit any violation of law or any liability whatsoever to Plaintiffs or others and expressly deny all such liability. Both Plaintiffs and Defendants have agreed to the Settlement in light of all known facts and circumstances—including the uncertainty associated with litigation.
- If the Court grants final approval of the settlement, it would provide a cash fund for members of the Class to split based on the number of relevant workweeks that they each worked during the relevant period.
- Based on Defendant’s records, you worked **XXX** relevant workweeks as a Class Member and **XXX** relevant workweeks as a PAGA Employee. An *estimate* of the amount that could be allocated to you is **\$XXX** as a Class Member and **\$XXX** as a PAGA Employee. Whether you receive a payment depends on whether the Court grants final approval of the class action settlement, and the amount you ultimately receive depends on the terms the Court finally approves and whether you opt out of the class action settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS CLASS ACTION SETTLEMENT:	
DO NOTHING	You do not have to do anything in response to this notice. If you do nothing and the Court grants final approval of the class action settlement, you will remain eligible to automatically receive an Individual Class Payment and will be bound by the class action release provisions of the Settlement.
OPT OUT	You may opt out of the class action settlement by submitting a Request for Exclusion. If you opt out, you may not object to the class action settlement, will not be eligible to receive an Individual Class Payment, and will not be bound by the class action release provisions of the Settlement.
OBJECT	You may object to the class action settlement by submitting a written objection. If you object and the Court grants final approval of the class action settlement despite your objection, you will remain eligible to automatically receive an Individual Class Payment and will be bound by the class action release provisions of the settlement.

NOTICE OF CLASS ACTION SETTLEMENT

Questions? Please contact the Administrator at (xxx) xxx-xxxx.

If the Court approves the PAGA settlement, you will receive an Individual PAGA Payment and will be bound by the PAGA release provisions of the Settlement, regardless of whether you opt out of the class action settlement.

**THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION FROM THE COURT
AS TO THE MERITS OF THE CLAIMS.**

1. Why Did I Receive This Notice?

You are receiving this Notice of Class Action Settlement (the “Notice”) because Defendants’ records show that you are a “Class Member” because you worked as an hourly-paid non-exempt employee of SIG Packaging LLC, Scholle IPN Packaging, Inc., or Scholle Packaging, Inc. in the State of California at some point from October 24, 2015, through September 28, 2024. You also may be a PAGA Employee if you are a Class Member who worked in the State of California at any time from April 19, 2020, through September 28, 2024. PAGA Employees may be entitled to share in the funds to be made available for the PAGA settlement.

Because the Settlement preliminarily approved by the Court would affect Settlement Class Members’ legal rights, the Court ordered that this Notice be sent to you. This Notice provides a brief description of the Action, informs you of the settlement terms preliminarily approved by the Court, and advises you of your legal rights with respect to the Settlement. If the Court finally approves the Settlement, the Settlement will fully resolve the Action, and your legal rights may be affected by the Settlement.

The Court has preliminarily approved Larry W. Lee and Simon L. Yang of Diversity Law Group, P.C.; William L. Marder of Polaris Law Group; Edwin Aiwanian of Lawyers for Justice, P.C.; Graham B. LippSmith, MaryBeth LippSmith, Celene Chan Andrews, and Jaclyn L. Anderson of LippSmith LLP as Class Counsel.

The terms of the Settlement are set forth in detail in the Joint Stipulation of Class Action and PAGA Settlement (“Agreement”). You may obtain a copy of the Agreement from Phoenix Settlement Administrators, a neutral third-party appointed by the Court to administer the settlement (the “Administrator”).

The final approval hearing is currently scheduled for _____, 2025, at 8:15 a.m. in Courtroom 8 of the Old Merced Courthouse located at 627 West 21st Street Merced, California 95340.

2. What Is the Action About?

On October 24, 2019, and various dates thereafter, Plaintiffs filed complaints in Court that allege that Defendants violate the California Labor Code. The operative complaint in the Action alleges violations of Labor Code sections 201-204, 210, 226(a), 226.3, 226.7, 233, 246, 510, 512, 558, 1194, 1197, 1197.1, 1198, 2800, and 2802, and 2698 et seq., and the Unfair Competition Law, codified at Business and Professions Code sections 17200 et seq. (the “UCL”).

Specifically, the Action alleges that Defendants violated the Labor Code by (1) failing to pay all minimum wages and overtime; (2) failing to provide meal and rest periods; (3) failing to pay all sick pay wages; (4) failing to timely pay wages; (5) failing to provide accurate itemized wage statements; and (6) failing to reimburse business expenses.

Defendants deny (i) all of the allegations made by Plaintiffs, (ii) that they violated any applicable laws, and (iii) that they are liable or owe damages, penalties, or other compensation or remedies to anyone with respect to the alleged facts or claims asserted in the Action. Nonetheless, without admitting or conceding any liability or wrongdoing whatsoever, Defendants have agreed to settle the Action, to avoid the burden, expense, and uncertainty of continuing the Action.

3. What Are the Payments Under the Settlement?

Defendants agree to pay a Gross Settlement Amount of \$1,957,410.00, which is inclusive of any Administration Costs, Attorneys’ Fees and Costs Award, Class Representative Awards, PAGA Penalty Fund, and Individual Class Payments awarded by the Court. The Court may approve payment of (i) Administration Costs to the Administrator for administering the settlement (printing, distributing, or tracking Notices, distributing payments,

etc.); (ii) an Attorneys' Fees and Costs Award to Class Counsel for litigation and resolution of the Action; (iii) Class Representative Awards to each Plaintiff both for their efforts in prosecuting the Action for Class Members and for Plaintiffs' additional general releases of claims inapplicable to Class Members; and (iv) a PAGA Penalty Fund.

PAGA Penalty Fund: The Settlement requests that the Court approve a PAGA Penalty Fund of \$120,000.00. Pursuant to Labor Code requirements, 75% of the PAGA Penalty Fund, or \$90,000.00, will be allocated to the LWDA as an LWDA Payment. The remainder of the PAGA Penalty Fund, or \$30,000.00, will be allocated and entirely payable to PAGA Employees as described below.

Individual Class Payments and Individual PAGA Payments: Individual Class Payments shall be distributed to Settlement Class Members and Individual PAGA Payments shall be distributed to PAGA Employees, respectively, without the need to submit a claim form. Allocations for amounts payable to Settlement Class Members will be based on the number of relevant workweeks they worked from October 24, 2015, through September 28, 2024. Allocations for amounts payable to PAGA Employees will be based on the number of relevant workweeks they worked from April 19, 2020, through September 28, 2024.

10% of Individual Class Payments shall be allocated to wages and subject to IRS Form W-2 reporting; the remainder of Individual Class Payments and all Individual PAGA Payments shall be allocated to interest and penalties and subject to IRS Form 1099 reporting. Through this settlement, each Settlement Class Member and PAGA Employee shall agree to be solely and legally responsible for paying all other applicable taxes on their respective Individual Class Payments and Individual PAGA Payments and shall indemnify and hold harmless the Parties from any claim or liability for taxes, penalties, or interest arising as a result of the payments.

All uncashed or undeliverable settlement checks will expire 180 days after the postmarked date of their initial mailing. After 180 days, the sum value of all expired checks will be tallied by the Administrator. The Administrator shall direct the principal for any expired checks in accordance with the Final Approval Order. The Parties shall request that the Court order that the principal for any expired checks escheat to the State of California's Unclaimed Property Fund in the name of the Settlement Class Member or PAGA Employee.

Attorneys' Fees and Costs Award: You do not need to individually pay any portion of Class Counsel's attorneys' fees and costs. Any payments for those attorneys' fees and costs will be determined by the Court. Class Counsel intends to request that the Court approve an Attorneys' Fees and Costs Award in the amount of (a) 33⅓% of the Gross Settlement Amount (or \$652,470.00) and (b) litigation costs of up to \$35,000.00.

Class Representative Award: Any Class Representative Award is to be determined by the Court and would be supplemental to Plaintiffs' Individual Settlement Payments. Class Counsel intends to request that the Court approve Class Representative Awards of \$10,000.00 to each Plaintiff for their efforts in prosecuting the Action for Class Members and for Plaintiffs' additional general releases of claims inapplicable to Class Members.

Administration Costs: Class Counsel intends to request that the Court approve Administration Costs of up to \$10,500.00, payable to the Administrator for administering the settlement, including, but not limited to, printing, distributing, or tracking Notices, providing any required tax forms, processing any required tax payments, or reporting, and calculating and distributing all payments under the Settlement.

All Payments Subject to Court Approval: The above payments will be made if and only if the Court concludes the settlement is reasonable, fair, and adequate for the Class. The Court may adjust the amounts of certain payments.

4. What Do I Release Under the Settlement?

If the Court grants final approval of the class action settlement and concludes it is reasonable, fair, and adequate for Class Members, Settlement Class Members would release Defendants, including SIG Packaging LLC, and all entities affiliated with them, and all officers, directors, representatives, owners, partners, subsidiaries, parent companies, joint venturers, clients, joint employers, predecessors, managers, servants, successors-in-interest, assigns, current and former employees of Defendants, agents, insurers, attorneys, and all persons or entities acting in concert with or affiliated with any of them ("Released Parties") from any and all claims from October 24, 2015, through September 28, 2024, that were alleged, or reasonably could have been alleged, in the operative complaint (the First Amended Complaint), including claims for: (1) Failure to Pay Overtime Wages in violation of Cal. Lab.

Code §§ 510 and 1198; (2) Failure to Provide Meal Periods or Meal Period Premiums in Lieu Thereof in violation of Cal. Lab. Code §§ 226.7 and 512(a); (3) Failure to Provide Rest Periods or Rest Period Premiums in Lieu Thereof in violation of Cal. Lab. Code § 226.7; (4) Failure to Pay Minimum Wages in violation of Cal. Lab. Code §§ 1194, 1197, and 1197.1; (5) Failure to Pay Final Wages when Due in violation of Cal. Lab. Code §§ 201, 202 and 203; (6) Failure to Reimburse Employees for Required Expenses in violation of Cal. Lab. Code § 2802 (including but not limited to claims for alleged failures to reimburse for uniforms (including shoes), cellphone related expenses and tools); (7) Failure to Provide a Compliant Wage Statement in violation of Cal. Lab. Code § 226; and (8) Failure to Pay Sick Pay Wages in violation of Cal. Lab. Code §§ 201-204, 233, 246 or those which could have been pled in the operative complaint in the Action based on the factual allegations therein. This means that, if you do not timely and formally exclude yourself from the class action settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants about the legal issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

Upon approval, the LWDA fully releases Defendants and each Released Party from any and all PAGA claims arising from April 19, 2020, through September 28, 2024, that are based on the Labor Code violations pled in the operative complaint.

5. How Do I Object to the Class Action Settlement?

If you want to participate in the Settlement, you do not have to do anything and do not have to appear at the final approval hearing before the Court. You will automatically receive your Individual Class Payment and Individual PAGA Payment if the Court grants final approval of the class action settlement and approves the PAGA settlement.

You may object to the proposed settlement in writing. You may also appear at the Final Approval Hearing at your expense, either in person, telephonically, or through an attorney, provided you notify the Court of your intention to do so. To object to the proposed settlement in writing, you must take the steps below:

- (1) You must mail a written statement to the Administrator listed below.
- (2) The written statement must include: your name, signature, address, last four digits of your Social Security number, and the basis for your objection.
- (3) If you object, you may but are not required to appear at the final approval hearing either in person or through counsel, paid for at your own expense.
- (4) The written statement must be postmarked by [45 days after the initial mailing of Notice].

If you object, you will remain bound by the class action settlement if finally approved and bound by the PAGA settlement if approved. If you do not want to be bound by the class action settlement if finally approved, you must opt out of the class action settlement. Regardless of whether you object to the class action settlement, you will be bound by the PAGA settlement if approved.

6. How Do I Opt Out of the Class Action Settlement?

If you do not want to participate in the class action settlement, you may opt out of the class action settlement. If you opt out of the class action settlement, you may not object to the class action settlement, will not receive any Individual Class Payment, and will not be bound by the class action release provisions of the Settlement.

In order to opt out, you MUST express your desire to be excluded from the class action settlement by mailing to the Administrator a "Request for Exclusion," which must state "Request for Exclusion" and include your name, signature, address, and last four digits of your Social Security number. Any such Request for Exclusion must be postmarked by [45 days after the initial mailing of Notice].

Any Request for Exclusion that does not include all required information or that is not submitted on a timely basis will be deemed null, void, and ineffective. A Request for Exclusion shall be deemed to be submitted as of the postmarked date. If you submit both a Request for Exclusion and an objection, your Request for Exclusion will be valid and be deemed to invalidate the objection.

8. Where Can I Get Additional Information?

This Notice summarizes the Settlement. For more information, you may contact the Administrator. Contact information for the Administrator and Class Counsel are as follows:

Administrator: xxx xxx xxx, California xxx Telephone: (xxx) xxx-xxxx	Class Counsel: DIVERSITY LAW GROUP, P.C. Larry W. Lee (lwlee@diversitylaw.com) Simon L. Yang (sly@diversitylaw.com) 515 S. Figueroa St., Suite 1250 Los Angeles, California 90071 Telephone: (213) 488-6555 LAWYERS for JUSTICE, PC Edwin Aiwarzian (edwin@calljustice.com) 410 West Arden Avenue, Suite 203 Glendale, California 91203 Telephone: (818) 265-1020	POLARIS LAW GROUP William L. Marder (bill@polarislawgroup.com) 501 San Benito Street, Suite 200 Hollister, California 95023 Telephone: (831) 531-4214 LIPPSMITH LLP Graham B. LippSmith (g@lippsmith.com) MaryBeth LippSmith (mb@lippsmith.com) Celene Chan Andrews (cca@lippsmith.com) Jaclyn L. Anderson (jla@lippsmith.com) 555 S. Flower Street, Suite 3000 Los Angeles, California 90071 Telephone: (213) 344-1820
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PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.