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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES, CENTRAL DISTRICT

CARRIE BALDWIN, individually and on
behalf of the putative class,

Plaintiff,

v.

PATAGONIA, INC., a corporation; GREAT
PACIFIC IRON WORKS, a corporation; and
DOES 1-50, Inclusive,

Defendant.

Case No.: 20STCV40245
Assigned to: Hon. Maren Nelson, Dept.: 17

**STIPULATION AND SETTLEMENT OF
CLASS, COLLECTIVE AND
REPRESENTATIVE ACTION**

[Complaint Filed: August 6, 2020]

STIPULATION AND SETTLEMENT OF CLASS, COLLECTIVE
AND REPRESENTATIVE ACTION

I. Subject to final approval by the Court, which counsel and the Parties agree to diligently pursue and recommend in good faith, Plaintiff Carrie Baldwin (“Plaintiff”), individually and on behalf of all others similarly situated and alleged aggrieved employees, on the one hand, and Defendants Patagonia, Inc. and Great Pacific Iron Works (together, “Defendants”), on the other hand (collectively, the “Parties” and individually, a “Party”), hereby agree to the following binding settlement of the class and representative action designated Carrie Baldwin v. Patagonia, Inc. et al., Los Angeles County Superior Court Case No. 20STCV40245, as amended (the “Action”), pursuant to the terms and conditions set forth below (the “Settlement,” “Settlement Agreement” or “Agreement”). Upon the Effective Date, and the payment by Defendants of all monies due under the Agreement, Plaintiff shall file with the Court (1) a Satisfaction of Judgment; and (2) a declaration from the Settlement Administrator certifying that all payments have been distributed, as more fully set forth herein.

II. Definitions.

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

A. “Action.”

The case titled Carrie Baldwin v. Patagonia, Inc. et al., Los Angeles County Superior Court Case No. 20STCV40245, as amended.

B. “Aggrieved Employees.”

All current and former non-exempt employees of Defendants employed in California at any time during the PAGA Period.

C. “Amended Complaint.”

The amended complaint Plaintiff filed on May 9, 2022, after seeking and receiving Court approval, to add a claim under the California Private Attorneys General Act (“PAGA”), and any and all other claims/causes of action encompassed by the Released Claims.

1 **D. “Attorneys’ Fees and Costs.”**

2 The attorneys’ fees agreed upon by the Parties and approved by the Court for Class
3 Counsel’s litigation and resolution of the Action, and all costs incurred and to be incurred by Class
4 Counsel in the Action, including, but not limited to, costs associated with documenting the
5 Settlement, securing the Court’s approval of the Settlement, any expert expenses, and securing an
6 entry of judgment on all claims in the Action which are covered by the Released Claims as defined
7 herein. Class Counsel will request attorneys’ fees not to exceed one-third (1/3) of the Class
8 Settlement Amount of \$500,000.00, which is a total of \$166,666.67. The costs requested to be
9 reimbursed will not exceed \$18,000.00. The attorneys’ fees and costs awarded are subject to the
10 Court’s approval. Defendants have agreed not to oppose Class Counsel’s request for attorneys’
11 fees and reimbursement of costs and expenses as set forth above. Such Attorneys’ Fees and Costs
12 shall be paid from the Class Settlement Amount. Class Counsel will be issued an IRS Form 1099
13 for the Attorneys’ Fees and Costs detailed in this Section and shall be solely and legally
14 responsible for paying all applicable taxes on the payment made pursuant to this Section.

15 **E. “Claims Administrator.”**

16 ILYM Group, Inc. shall be the third-party class action settlement claims
17 administrator as agreed to by the Parties and approved by the Court for the purposes of
18 administering this Settlement. The Parties each represent that they do not have any financial
19 interest in the Claims Administrator or otherwise have a relationship with the Claims
20 Administrator that could create a conflict of interest.

21 **F. “Claims Administration Costs.”**

22 The costs payable from the Class Settlement Amount to the Claims Administrator
23 for administering this Settlement, including, but not limited to, printing, distributing, and tracking
24 documents for this Settlement, calculating estimated amounts per Class Member, tax reporting,
25 distributing the Class Settlement Amount, and providing necessary reports and declarations, and
26 other duties and responsibilities set forth herein to process this Settlement Agreement, and as
27 requested by the Parties. The Claims Administration Costs will be paid from the Class Settlement
28 Amount, including, if necessary, any such costs in excess of the amount represented by the Claims

1 Administrator as being the maximum costs necessary to administer the Settlement. The Claims
2 Administration Costs are currently estimated to be \$20,000.00. To the extent actual Claims
3 Administration Costs are greater than \$20,000.00, such excess amount will be deducted from the
4 Class Settlement Amount, subject to the Court's approval. The Claims Administration Costs will
5 be paid no sooner than fifteen (15) calendar days following the Effective Date.

6 **G. "Class Counsel."**

7 Attorneys for Labor Law PC and David Yeremian & Associates, Inc. shall be
8 appointed Class Counsel upon approval by the Court.

9 **H. "Class List."**

10 A complete list of all Class Members that Defendants will diligently and in good
11 faith compile from their records and provide to the Claims Administrator within fourteen (14)
12 calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in a
13 readable Microsoft Office Excel spreadsheet and will include each Class Member's full name,
14 most recent mailing address, telephone number, Social Security number, dates of employment
15 (*i.e.*, hire date and termination date, if applicable), approximate number of workweeks, and any
16 other relevant information needed to calculate settlement payments.

17 **I. "Class Member(s)" or "Settlement Class."**

18 All current and former non-exempt employees of Defendants employed in
19 California at any time during the Class Period.

20 **J. "Class Period."**

21 The period from August 6, 2016 through August 19, 2022.

22 **K. "Class Representative Enhancement Payment."**

23 The amount to be paid to Plaintiff in recognition of her effort and work in
24 prosecuting the Action on behalf of Class Members and for her general release of all claims.
25 Subject to the Court granting Final Approval of this Settlement Agreement, Plaintiff will request
26 Court approval of a Class Representative Enhancement Payment of \$7,500. Plaintiff will be
27 issued an IRS Form 1099 in connection with her respective Class Representative Enhancement
28 Payment. Plaintiff shall be solely and legally responsible for paying any and all applicable taxes

1 on this payment and shall hold Defendants harmless from any claim or liability for taxes, penalties
2 or interest arising as a result of the payment. The Class Representative Enhancement Payment
3 will be paid from the Class Settlement Amount and will be in addition to Plaintiff's Individual
4 Settlement Payment paid pursuant to the Settlement, and is conditioned on the execution of a
5 stand-alone settlement agreement and general release of all claims (which includes the Plaintiff's
6 Released Claims and shall be set forth more-fully in the stand-alone settlement agreement and
7 general release of all claims). Defendants make no representations as to the tax treatment or legal
8 effect of the payment called for herein, and Plaintiff is not relying on any statement or
9 representation by Defendants or their counsel in this regard.

10 **L. "Class Settlement Amount."**

11 The sum of no more than \$500,000.00 to be paid by Defendants in full satisfaction
12 of all claims arising from the Action. The Class Settlement Amount includes all Individual
13 Settlement Payments to Class Members, Individual PAGA Settlement Payments to Aggrieved
14 Employees, the Class Representative Enhancement Payment to Plaintiff, Claims Administration
15 Costs to the Claims Administrator, the Labor and Workforce Development Agency ("LWDA")
16 Payment, and the Attorneys' Fees and Costs. Defendants will be responsible for any employer
17 payroll taxes required by law, separate and in addition to the Class Settlement Amount, including
18 the employer FICA, FUTA, and SDI contributions on the wage portion of the Individual
19 Settlement Payments.

20 **M. "Defendants."**

21 Patagonia, Inc. and Great Pacific Iron Works.

22 **N. "Effective Date."**

23 The date on which the Final Award becomes final. For purposes of this Section,
24 the Final Award "becomes final" only after the Court grants the Motion for Final Approval and
25 upon service of the Notice of Entry of Order and/or Judgment, and upon the latter of: (i) if no
26 appeal is filed, the expiration date of the time for the filing or noticing of any appeal from, or other
27 challenge to, the Order Granting Final Approval and/or Judgment (this time period shall not be
28 less than seventy (70) calendar days after the Court's Order is entered); (ii) the date of affirmance

1 of an appeal of the Order Granting Final Approval and/or Judgment becomes final under the
2 California Rules of Court; or (iii) the date of final dismissal of any appeal from the Order Granting
3 Final Approval and/or Judgment or the final dismissal of any proceeding on review of any court of
4 appeal decision relating to the Order Granting Final Approval and/or Judgment.

5 **O. “Final Approval” or “Final Award.”**

6 The Court entering an Order Granting Final Approval of the Settlement Agreement
7 and Judgment.

8 **P. “Individual Settlement Payment.”**

9 Each Class Member’s share of the Net Settlement Amount, which shall be
10 distributed to the Class Members, less employee portions of state and federal withholding taxes,
11 including the employee FICA, FUTA and SDI contributions and any other applicable payroll
12 deductions required by law as a result of the payment of the amount allocated to such Class
13 Member as set forth herein.

14 **Q. “LWDA Notice.”**

15 The Parties agree that Plaintiff will submit Notice to the Labor and Workforce
16 Development Agency (“LWDA”) of this Settlement along with a copy of this Settlement
17 Agreement within ten (10) calendar days of its execution by all Parties and Class Counsel, and
18 will thereafter submit a copy of any judgment or any other order (*e.g.*, the Final Award) providing
19 for an award of civil penalties in conformity with Labor Code Section 2699(l).

20 **R. “LWDA Payment” or “PAGA Settlement Amount.”**

21 The amount that the Parties have agreed to pay to the LWDA in connection with
22 the California Private Attorneys General Act of 2004 (“PAGA”). The Parties have agreed that
23 \$20,000.00 of the Class Settlement Amount will be allocated to the resolution of any claims
24 arising under PAGA (“PAGA Settlement Amount”) as set forth in the Released Aggrieved
25 Employee Claims. Pursuant to PAGA, \$15,000.00 (75%) of the PAGA Settlement Amount will
26 be paid to the LWDA and \$5,000.00 (25%) of the PAGA Settlement Amount will be distributed to
27 Aggrieved Employees. The 25% portion of the PAGA Settlement Amount is referred to as
28 Aggrieved Employees Amount.

1 **S. “Net Settlement Amount.”**

2 The portion of the Class Settlement Amount remaining after deduction of the
3 approved Class Representative Enhancement Payment, Claims Administration Costs, LWDA
4 Payment, PAGA Settlement Amount, and the Attorneys’ Fees and Costs.

5 **T. “Notice of Class Action Settlement.”**

6 The document substantially in the form attached as Exhibit 1 that will be mailed to
7 Class Members’ last known addresses and which will provide Class Members with information
8 regarding the Action and information regarding the Settlement.

9 **U. “Notice of Objection.”**

10 The Court may hear from any Class Member who attends the final approval hearing
11 and asks to speak regarding his or her objection. In order for any Class Member to object to this
12 Settlement, or any term of it, the person making the objection must not submit a request for
13 exclusion (i.e., must not opt out). While not required, the preferred method by which any Class
14 member may to object to this Settlement, or any term of it, is that the objecting Class Member, by
15 no later than sixty (60) days after the Notice of Proposed Class Action Settlement was initially
16 mailed to the Class Members, mail or fax to the Settlement Administrator a written statement of
17 the grounds of objection, signed by the objecting Class Member or his or her attorney, along with
18 all supporting papers. All such objections and written notices of intention to appear should be
19 signed and contain the Class Member’s name and address and the address of counsel, if any. If
20 submitted in this manner, the objection should clearly explain why the settlement class member
21 objects to the Settlement and state whether the Class Member (or someone on their behalf) intends
22 to appear at the Final Approval Hearing. The Settlement Administrator shall immediately upon
23 receipt transmit to the Parties’ counsel copies of all objections and supporting papers. The Parties
24 then shall file any objections received in this manner and all supporting papers with the Court as
25 soon as practicable but not more than three (3) business days after receipt. A Class Member may
26 appear personally or through an attorney, at his or her own expense, at the Final Approval hearing
27 to present his or her objection directly to the Court. If a Class Member objects to this Settlement,
28 the Class Member will remain a member of the Settlement Class and if the Court approves this

1 Agreement, the Class Member will be bound by the terms of the Settlement and Final Approval in
2 the same way and to the same extent as a settlement class member who does not object. The Court
3 retains final authority with respect to the consideration and admissibility of any Class Member
4 objections.

5 Neither the Parties nor their counsel will solicit or otherwise encourage Class
6 Members to submit written objections to the Settlement Agreement or appeal from the Order and
7 Judgment. Class Counsel will not represent any Class Members with respect to any such
8 objections to this Settlement.

9 **V. “Notice Packet.”**

10 The Notice of Class Action Settlement, Individual Settlement Payment
11 calculations, and Individual PAGA Payment calculations to include workweek information.

12 **W. “PAGA Period.”**

13 The period from August 6, 2019 through August 19, 2022.

14 **X. “Plaintiff.”**

15 Plaintiff Carrie Baldwin.

16 **Y. “Plaintiff’s Released Claims.”**

17 Upon the Effective Date, and as a condition of receiving any portion of her Class
18 Representative Enhancement Payment, Plaintiff shall fully and finally release the Released Parties
19 from any and all claims, known and unknown, under federal, state and/or local law, statute,
20 ordinance, regulation, common law, or other source of law, including but not limited to claims
21 arising from or related to her employment with Defendants and her compensation while an
22 employee of Defendants. Plaintiff’s Released Claims shall be set forth more-fully in the stand-
23 alone settlement agreement and general release of all claims. Plaintiff’s Released Claims include,
24 but are not limited to, all claims arising from or related to the Action. Plaintiff’s Released Claims
25 include all claims for unpaid wages, including, but not limited to, failure to pay minimum wages,
26 straight time compensation, overtime compensation, double-time compensation, and interest; the
27 calculation of the regular rate of pay; wages related to alleged illegal time rounding; failure to pay
28 wages at least twice each calendar month; failure to timely pay wages; failure to timely pay final

1 wages; missed/short/late/interrupted meal period, rest period, and/or recovery period
2 wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods
3 and/or recovery periods; the calculation of meal period, rest period, and/or recovery period
4 premiums; reimbursement for all necessary business expenses, including work-related cell-phone
5 expenses and car mileage for work-related travel; payment for all hours worked, including off-the-
6 clock work; wage statements; deductions; failure to keep accurate records; failure to provide
7 suitable seating; failure to maintain temperature providing reasonable comfort; unlawful
8 deductions and/or withholdings from wages; unfair business practices; penalties, including, but not
9 limited to, recordkeeping penalties, wage statement and payroll reporting penalties, minimum-
10 wage penalties, and waiting-time penalties; and attorneys' fees and costs. Plaintiff's Released
11 Claims include all claims arising under the California Labor Code (including, but not limited to,
12 sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 204.1, 204.2, 206, 210, 216, 218, 218.5,
13 218.6, 221, 225.5, 226, 226.2, 226.3, 226.7, 226.8, 247.5, 248.5, 256, 450, 510, 511, 512, 515,
14 516,558, 1174, 1174.5, 1175, 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1197.2, 1198, 1198.5,
15 2698 *et seq.*, 2699 *et seq.*, 2802, and 2804); all claims arising under: the Wage Orders of the
16 California Industrial Welfare Commission; the California Private Attorneys General Act of 2004
17 (PAGA); California Business and Professions Code section 17200, *et seq.*; the California Civil
18 Code, to include sections 3287, 3336 and 3294; 8 CCR §§ 3203, 11070, 11090, 11100; California
19 Code of Civil Procedure § 1021.5; all state and local ordinances related to COVID-19 right of
20 recall; the California common law of contract; the FLSA, 29 U.S.C. §§ 201, *et seq.*; 29 CFR
21 778.223; 29 CFR 778.315; federal common law; and the Employee Retirement Income Security
22 Act, 29 U.S.C. §§ 1001, *et seq.* (ERISA). Plaintiff's Released Claims also include all claims for
23 lost wages and benefits, emotional distress, retaliation, punitive damages, and attorneys' fees and
24 costs arising under federal, state, or local laws for discrimination, harassment, retaliation, and
25 wrongful termination, such as, by way of example only, (as amended) 42 U.S.C. § 1981, Title VII
26 of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), the Age
27 Discrimination in Employment Act (ADEA), and the California Fair Employment and Housing
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1 Act (FEHA); and the law of contract and tort. This release excludes the release of claims not
2 permitted by law.

3 Plaintiff's Released Claims include all claims, whether known or unknown. Even
4 if Plaintiff discovers facts in addition to or different from those that she now knows or believes to
5 be true with respect to the subject matter of Plaintiff's Released Claims, those claims will remain
6 released and forever barred. Thus, Plaintiff expressly waives and relinquish the provisions, rights
7 and benefits of section 1542 of the California Civil Code, which reads:

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

12 **Z. "Released Aggrieved Employee Claims."**

13 All Aggrieved Employees, including those who timely and effectively exclude
14 themselves from the Released Class Claims, shall nevertheless be bound by the Released
15 Aggrieved Employee Claims and shall receive a pro rata portion of 25% of the PAGA Settlement
16 Amount. Aggrieved Employees who timely and effectively exclude themselves from the Released
17 Class Claims shall have their PAGA claims released only for the PAGA Period. All Aggrieved
18 Employees, on behalf of themselves and their respective former and present representatives,
19 agents, attorneys, heirs, administrators, successors, and assigns, shall release the Released Parties
20 from all claims, rights, demands, liabilities, and causes of action, for PAGA civil penalties
21 asserted in the Action and/or arising from, or reasonably related to the facts and claims alleged in
22 the Complaint, the First Amended Complaint, and/or August 6, 2020 LWDA exhaustion letter
23 identified on the LWDA's website as LWDA-CM-801582-20. Such claims, rights, demands,
24 liabilities, and causes of action include those arising out of the following: California Minimum
25 Wage Order (MW-2014), Labor Code sections 201, 202, 203, 204, 218.5, 218.6, 226, 226.2,
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226.3, 226.7, 510, 1194, 1194.2, 1194.3, 1197, 1198, and 2698. (“Released Aggrieved Employee Claims”).

AA. “Preliminary Approval.”

The Court’s order granting preliminary approval of the Settlement Agreement.

BB. “Qualified Settlement Account.”

The fund established by the Claims Administrator pursuant to Internal Revenue Code Section 1.468B-1.

CC. “Released Class Claims.”

As of the date of the Order Granting Final Approval, and only after the Settlement has been fully funded by Defendants, all Class Members shall fully and finally release Released Parties of the Released Class Claims. The Released Class Claims include any and all claims, wage and hour claims, rights, demands, liabilities and causes of action of any nature or description alleged/asserted in the Action, as amended, arising from and/or related to the facts and claims alleged/asserted in the Action, that could have been alleged/asserted in the Action based on the facts and claims alleged in the Action, as amended during the Class Period, and the facts and claims asserted in, arising from or related to, or could have been alleged in: the PAGA letter dated August 6, 2020, which was sent to the LWDA on behalf of Carrie Baldwin and other alleged Aggrieved Employees and identified on the LWDA’s website as LWDA-CM-801582-20.

The Released Class Claims include all claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; wages related to alleged unlawful time rounding; reporting time pay; on-call pay; travel time pay; failure to pay wages at least twice each calendar month; failure to timely pay wages; missed/short/late/interrupted meal period, rest period, and/or recovery period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods and/or recovery periods; the calculation of meal, rest, and/or recovery period premiums; reimbursement for all necessary business expenses, including work-related cell-phone expenses and car mileage for work-related travel; payment for all hours worked, including off-the-clock work; failure to

1 provide/furnish accurate itemized wage statements; deductions; failure to keep/maintain accurate
2 records; failure to timely pay final wages; unlawful deductions and/or withholdings from wages;
3 unfair business practices; penalties, including, but not limited to, recordkeeping penalties, wage
4 statement and payroll reporting penalties, minimum-wage penalties, and waiting-time penalties;
5 and attorneys' fees and costs; for civil and statutory penalties, including wage statement and
6 payroll reporting penalties, record keeping penalties, minimum wage penalties, penalties for
7 personnel file violations; attorneys' fees and costs; and unfair business practices related to the
8 Released Class Claims. The Released Class Claims also include but are not limited to all such
9 claims arising under: California Labor Code sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204,
10 204.1, 204.2, 206, 210, 216, 218, 218.5, 218.6, 221, 225.5, 223, 224, 225, 255.5, 226, 226.2,
11 226.3, 226.7, 226.8, 247.5, 248.5, 256, 450, 510, 511, 512, 515, 516, 558, 1174, 1174.5, 1175,
12 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1197.2, 1198, 1198.5, 1199, 2698 *et seq.*, 2699 *et*
13 *seq.*, 2802, and 2804; all claims arising under the California Private Attorneys General Act of
14 2004 ("PAGA") related to the Released Claims and Released Aggrieved Employee Claims;
15 California Code of Regulations tit. 8 section 3395; all claims relating to the Released Class Claims
16 under the California Business and Professions Code section 17200, *et seq.*; the Release shall also
17 include all claims relating to the Released Claims under the applicable Wage Orders of the
18 California Industrial Welfare Commission (including, but not limited to, IWC Wage Order Nos. 4-
19 2001, 5-2001, 10-2001 and 8 CCR § 11100) for failure to provide accurate itemized wage
20 statements, failure to provide right to inspect or copy personnel files, failure to keep accurate
21 records, for civil and statutory penalties, including wage statement penalties, record keeping
22 penalties, reporting time pay, and penalties for personnel file violation. The Released Claims
23 include those under the Fair Labor and Standards Act ("FLSA"), including those related to
24 recordkeeping obligations, 29 U.S.C. §211(c); 29 C.F.R. §§ 516, 778.223, 778.315, *et seq.*; and all
25 state and federal law equivalents arising from or related to the facts and claims alleged in the
26 Action and/or LWDA letter or that could have been alleged in the Action and/or LWDA letter;
27 California Civil Code sections 3287, 3288, 3289; California Code of Civil Procedure § 1021.5;

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1 and the California common law of contract. This release excludes the release of claims not
2 permitted by law, including but not limited to claims brought for workers' compensation benefits.

3 The following language will be printed on the reverse of each Settlement Payment
4 Check, or words to this effect: "By endorsing or otherwise negotiating this check, I acknowledge
5 that I read, understood, and agree to the terms set forth in the Notice of Class Action Settlement
6 and I consent to join in the Fair Labor Standards Act ("FLSA") portion of the [Actions], elect to
7 participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that
8 are covered by the Settlement."

9 Upon entry of Judgment, Class Members are precluded from filing a wage and hour
10 action under the Fair Labor Standards Act against the Released Parties for claims and/or causes of
11 action encompassed by the Released Claims which are extinguished and precluded pursuant to the
12 holding in *Rangel v. PLS Check Cashers of California, Inc.*, 899 F.3d 1106 (2018). This release
13 excludes the release of claims not permitted by law.

14 **DD. "Released Parties."**

15 Defendants and their past, present, and future parents, subsidiaries, affiliated
16 companies (including but not limited to, Patagonia Works, and all of its subsidiaries and
17 affiliates), agents, managing agents, employees, servants, officers, directors, owners (whether
18 direct or indirect), general partners, limited partners, trustees, representatives, shareholders,
19 stockholders, members, mortgagees or ground lessors, attorneys, parents, subsidiaries, equity
20 sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors,
21 successors, insurers, consultants, joint venturers, joint employers, potential and/or alleged joint
22 employers, temporary staffing agencies, dual employers, potential and/or alleged dual employers,
23 co-employers, potential and/or alleged co-employers, common law employers, potential and
24 alleged common law employers, contractors, affiliates, service providers, alter-egos, potential
25 and/or alleged alter-egos, vendors, affiliated organizations, any person and/or entity with potential
26 or alleged to have joint liability, and all of their respective past, present and future employees,
27 directors, officers, members, owners, agents, representatives, payroll agencies, attorneys,
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1 stockholders, fiduciaries, parents, subsidiaries, other service providers, and assigns and any and all
2 persons and/or entities acting under, by, through or in concert with any of them.

3 **EE. "Request for Exclusion."**

4 A notice submitted by a Class Member requesting to be excluded from the
5 Settlement. For the Request for Exclusion to be valid, it must include the Class Member's full
6 name, signature, address, telephone number and a written statement requesting to be excluded
7 from this Settlement. The Request for Exclusion must be returned by mail or fax to the Claims
8 Administrator at the specified address or facsimile number and postmarked or faxed on or before
9 the Response Deadline. The date of the postmark or fax receipt confirmation will be the exclusive
10 means to determine whether a Request for Exclusion has been timely submitted. A Class Member
11 who does not submit a timely and valid Request for Exclusion from the Settlement will be deemed
12 a Class Member and will be bound by all terms of the Settlement Agreement if the Settlement is
13 granted Final Approval by the Court. Any Class Member who timely submits a valid Request for
14 Exclusion will not receive payment from the Settlement, and will not be bound by the terms of the
15 Settlement Agreement or Judgment (with the exception of claims arising under PAGA).
16 Aggrieved Employees eligible for a portion of the PAGA Settlement Amount will receive their
17 share of the employee portion of the PAGA Settlement Amount and will be deemed to have
18 released the Released Aggrieved Employee Claims, regardless of whether they submit a Request
19 for Exclusion.

20 **FF. "Response Deadline."**

21 The deadline by which Class Members must mail or fax to the Claims
22 Administrator valid Requests for Exclusion, Notices of Objection to the Settlement, or workweek
23 disputes. The Response Deadline will be sixty (60) calendar days from the initial mailing of the
24 Notice Packet by the Claims Administrator, unless the 60th day falls on a Sunday or Federal
25 holiday, in which case the Response Deadline will be extended to the next day on which the U.S.
26 Postal Service is open. The Response Deadline for Requests for Exclusion, Notices of Objection,
27 or workweek disputes will be extended fifteen (15) calendar days for any Class Member who is re-
28 mailed a Notice Packet by the Claims Administrator, unless the 15th day falls on a Sunday or

1 Federal holiday, in which case the Response Deadline will be extended to the next day on which
2 the U.S. Postal Service is open. The Response Deadline may also be extended by express
3 agreement between Class Counsel and Defendants. Under no circumstances, however, will the
4 Claims Administrator have the authority to unilaterally extend the deadline for Class Members to
5 submit a Request for Exclusion, Notice of Objection to the Settlement, or workweek disputes.

6 **GG. “Settlement Payment Check.”**

7 The payment to Class Members. The back of the Settlement Payment Check shall
8 state, immediately below the space where the check is to be endorsed by the payee: “By endorsing
9 or otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms
10 set forth in the Notice of Class Action Settlement and I consent to join in the Fair Labor Standards
11 Act (“FLSA”) portion of the [Action], elect to participate in the settlement of the FLSA claims,
12 and agree to release all of my FLSA claims that are covered by the Settlement.”

13 **III. Funding of the Class Settlement Amount.**

14 Within fifteen (15) calendar days after the Effective Date of the Settlement,
15 Defendants will make a one-time deposit of the Class Settlement Amount into a Qualified
16 Settlement Account to be established by the Claims Administrator as well as an amount sufficient
17 to pay the employer’s share of payroll taxes with respect to the wages portion of the Individual
18 Settlement Payments. Within fourteen (14) calendar days of the funding of the Settlement, the
19 Claims Administrator will issue payments to: (a) Class Members who have not timely and validly
20 requested exclusion; (b) Aggrieved Employees; (c) the LWDA; (d) Plaintiff; and (e) Class
21 Counsel. The Claims Administrator will also issue a payment to itself for Court-approved services
22 performed in connection with the Settlement. Defendants have no obligation to deposit such funds
23 prior to the deadline set forth herein. Prior to issuing checks to Class Members, the Claims
24 Administrator will run the Class Members’ most updated addresses against the National Change of
25 Address Database to obtain the most current address for mailing the checks. If a check is returned
26 as undeliverable from Class Members whose Notice Packet was returned and no new address was
27 ascertained, then no further steps need to be taken. For other checks returned, the Claims
28 Administrator shall conduct a skip trace or other similar search to locate an updated address and

1 the Claims Administrator shall re mail the check within seven (7) business days of return of the
2 check.

3 **IV. Attorneys' Fees and Costs.**

4 Defendants agree not to oppose or impede any application by Class Counsel for
5 attorneys' fees of not more than \$166,666.67, or the reimbursement of costs and expenses
6 associated with Class Counsel's litigation and settlement of the claims covered by the Action not
7 to exceed \$18,000.00. No counsel shall be entitled to attorneys' fees or costs for work performed
8 in the Action other than as provided in this Settlement Agreement. The instant Settlement
9 Agreement is the exclusive means for recovery of attorneys' fees and costs incurred in the Action
10 by any attorney, law firm and/or other legal services provider except for the event that either party
11 is required to seek to enforce this settlement agreement or the judgment.

12 **V. Class Representative Enhancement Payment.**

13 In exchange for a general release and in recognition of her effort and work in
14 prosecuting the Action on behalf of Class Members, Defendants agree not to oppose or impede
15 any application or motion for a Class Representative Enhancement Payment in the amount of up to
16 \$7,500.00 for Plaintiff. The Class Representative Enhancement Payment will be paid from the
17 Class Settlement Amount and will be in addition to Plaintiff's Individual Settlement Payment paid
18 pursuant to the Settlement. Plaintiff will be solely and legally responsible to pay any and all
19 applicable taxes on the payment made pursuant to this Section and will indemnify and hold
20 Defendants harmless from any claim or liability for taxes, penalties, or interest arising as a result
21 of the payment.

22 **VI. Claims Administration Costs.**

23 The Claims Administrator will be paid for the reasonable costs of administration of
24 the Settlement and distribution of payments from the Class Settlement Amount, which are
25 currently estimated to be \$20,000.00.

26 The Parties hereby acknowledge that the Claims Administration Costs may
27 increase above the current estimate of \$20,000.00 and that any such additional Claims
28

Administration Costs that are approved by the Parties' counsel and the Court shall be taken out of the Class Settlement Amount.

VII. Labor and Workforce Development Agency Payment/PAGA Settlement Amount.

Subject to Court approval, the Parties agree that \$20,000.00 of the Class Settlement Amount will be designated for satisfaction of PAGA claims (the "PAGA Settlement Amount") and release of the Released Aggrieved Employee Claims. Pursuant to the PAGA, \$15,000.00 (75%) of the PAGA Settlement Amount will be paid to the LWDA and \$5,000.00 (25%) of the PAGA Settlement Amount will be paid to Aggrieved Employees.

VIII. Net Settlement Amount.

The Net Settlement Amount will be used to satisfy Individual Settlement Payments to Class Members from the Settlement Class in accordance with the terms of this Settlement.

IX. Individual Settlement Payment Calculations.

Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of workweeks a Class Member worked during the Class Period. Specific calculations of Individual Settlement Payments will be made as follows:

- (a) The Claims Administrator will calculate the total number of weeks worked (weeks in which at least one day was worked) by each Class Member ("Individual Workweeks") and the total number of weeks worked by all Class Members ("Class Workweeks") during the Class Period.
- (b) To determine each Class Member's Individual Settlement Payment, the Claims Administrator will use the following formula: Individual Settlement Payment = (Individual Workweeks ÷ Class Workweeks) × Net Settlement Amount.

The Individual Settlement Payment will be reduced by any required deductions for each Class Member as set forth herein, including employee-side tax withholdings or deductions. The Individual Settlement Payments will be allocated as follows: one-third (1/3) to wages, one-third (1/3) to interest, and one-third (1/3) to penalties.

1 The Individual Settlement Payments made to Class Members under this Settlement,
2 and any other payments made pursuant to this Settlement, will not be utilized to calculate any
3 additional benefits under any benefit plans to which any Class Members may be eligible,
4 including, but not limited to, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans,
5 vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties’
6 intention that this Settlement Agreement will not affect any rights, contributions, or amounts to
7 which any Class Members may be entitled under any benefit plans.

8 **X. Individual PAGA Payments.**

9 Individual PAGA Payments will be calculated and apportioned from the Aggrieved
10 Employees Amount based on the number of pay periods an Aggrieved Employee worked during
11 the PAGA Period. Specific calculations of Individual PAGA Payments will be made as follows:

- 12 (a) The Claims Administrator will calculate the total number of pay periods
13 worked (pay periods in which at least one day was worked) by each
14 Aggrieved Employee (“Individual Pay Periods”) and the total number of
15 pay periods worked by all Aggrieved Employees (“Total Pay Periods”)
16 during the Class Period.
- 17 (b) To determine each Aggrieved Employees Individual PAGA Payment, the
18 Claims Administrator will use the following formula: Individual PAGA
19 Payment = (Individual Pay Periods ÷ Total Pay Periods) × Aggrieved
20 Employees Amount.

21 **XI. Claims Administration Process.**

22 1. The Parties agree to cooperate in the administration of the Settlement and to
23 make all reasonable efforts to control and minimize the costs and expenses incurred in
24 administration of the Settlement. The Claims Administrator will provide the following services:

- 25 a. Establish and maintain a Qualified Settlement Account.
- 26 b. Calculate the Individual Settlement Payment each Class Member is eligible
27 to receive.
- 28 c. Translate the Notice Packet into Spanish by request of Class Members.

- 1 d. Print and mail the Notice Packet.
- 2 e. Establish and maintain a toll-free information telephone support line to
- 3 assist Class Members who have questions regarding the Notice Packet.
- 4 f. Establish and maintain a website with information to assist Class Members,
- 5 including the posting of notice of final judgment.
- 6 g. Conduct additional address searches for mailed Notice Packets that are
- 7 returned as undeliverable.
- 8 h. Process Requests for Exclusion, calculate Class Members' Individual
- 9 Settlement Payment, field inquiries from Class Members, and administer
- 10 any Requests for Exclusion. This service will include settlement proceed
- 11 calculation, printing and issuance of Settlement Payment Checks, and
- 12 preparation of IRS W-2 and 1099 Tax Forms. Basic accounting for and
- 13 payment of employee tax withholdings and forwarding all payroll taxes and
- 14 penalties to the appropriate government authorities will also be included as
- 15 part of this service.
- 16 i. Issuing to Plaintiff, Class Members, and Plaintiff's Counsel any W-2, 1099,
- 17 or other tax forms as may be required by law for all amounts paid pursuant
- 18 to this Settlement.
- 19 j. Provide declarations and/or other information to the Court as requested by
- 20 the Parties and/or the Court.
- 21 k. Provide weekly status reports to counsel for the Parties.
- 22 2. Within fourteen (14) days of Preliminary Approval, Defendants will
- 23 provide the Class List to the Claims Administrator.
- 24 3. Within fourteen (14) calendar days after receiving the Class List from
- 25 Defendants, the Claims Administrator will mail a Notice Packet to all Class Members via regular
- 26 First-Class U.S. Mail, using the last known mailing addresses identified in the Class List.
- 27 4. Prior to mailing, the Claims Administrator will perform a search based on
- 28 the National Change of Address Database for information to update and correct any known or

1 identifiable address changes. Any Notice Packets returned to the Claims Administrator as non-
2 deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S.
3 Mail to the forwarding address affixed thereto and the Claims Administrator will indicate the date
4 of such re-mailing on the Notice Packet. If no forwarding address is provided, the Claims
5 Administrator will promptly attempt to determine the correct address using a skip-trace, or other
6 search using the name, address and/or Social Security number of the Class Member involved, and
7 will then perform a single re-mailing. Those Class Members who receive a re-mailed Notice
8 Packet, whether by skip-trace or by request, will have between the later of (a) an additional fifteen
9 (15) calendar days or (b) the Response Deadline to postmark a Request for Exclusion or Notice of
10 Objection to the Settlement.

11 5. All Class Members will be mailed a Notice Packet containing the forms
12 attached as Exhibit 1 as approved by the Court.

13 6. Class Members will have an opportunity to dispute the information
14 provided in their Notice Packets. To the extent Class Members dispute the number of workweeks
15 to which they have been credited or the amount of their Individual Settlement Payment, Class
16 Members may produce evidence to the Claims Administrator showing that such information is
17 inaccurate. Absent evidence rebutting Defendants' records, Defendants' records will be presumed
18 determinative. However, if a Class Member produces evidence to the contrary, the Claims
19 Administrator will evaluate the evidence submitted by the Class Member and will make the final
20 decision as to the number of eligible workweeks that should be applied and/or the Individual
21 Settlement Payment to which the Class Member may be entitled. The workweek dispute must be
22 returned by mail or fax to the Claims Administrator at the specified address or facsimile number
23 and postmarked or faxed on or before the Response Deadline. The date of the postmark or fax
24 receipt confirmation will be the exclusive means to determine whether a workweek dispute has
25 been timely submitted. All such disputes are to be resolved not later than fourteen (14) calendar
26 days after the Response Deadline.

27 7. Defective Submissions. If a Class Member's Request for Exclusion is
28 defective as to the requirements listed herein, that Class Member will be given an opportunity to

1 cure the defect(s). The Claims Administrator will mail the Class Member a cure letter within three
2 (3) business days of receiving the defective submission to advise the Class Member that his or her
3 submission is defective and that the defect must be cured to render the Request for Exclusion
4 valid. The Class Member will have until the later of (a) the Response Deadline or (b) fifteen (15)
5 calendar days from the date of the cure letter, whichever date is later, to postmark or fax a revised
6 Request for Exclusion.

7 8. Request for Exclusion Procedures. Any Class Member wishing to opt-out
8 from the Settlement Agreement must sign and postmark or fax a written Request for Exclusion to
9 the Claims Administrator within the Response Deadline. The date of the postmark on the return
10 mailing envelope or the fax receipt confirmation will be the exclusive means to determine whether
11 a Request for Exclusion has been timely submitted. All Requests for Exclusion will be submitted
12 to the Claims Administrator, who will certify jointly to Class Counsel and Defendants' Counsel
13 the Requests for Exclusion that were timely submitted. Any Class Member who does not timely
14 seek exclusion will be bound by the terms of this Settlement Agreement. Any Class Member who
15 timely submits a valid Request for Exclusion will not receive payment from the Settlement, and
16 will not be bound by the terms of the Settlement Agreement or Judgment (with the exception of
17 the PAGA Released Claims if they are an Aggrieved Employee). Class Members eligible for a
18 portion of the PAGA Settlement will receive their share of the employee portion of the PAGA
19 Settlement Amount and will be deemed to have released any claims arising out of PAGA,
20 regardless of whether they submit a Request for Exclusion.

21 **XII. NULLIFICATION OF THE SETTLEMENT AGREEMENT.**

22 1. Defendants' Option to Nullify the Settlement Agreement. If five percent
23 (5%) or more of the Class Members opt out of the Settlement (or are otherwise excluded),
24 Defendants, in their sole discretion, shall have the option of nullifying the Settlement Agreement.
25 In such a case, the Parties and any funds to be awarded under this Settlement Agreement shall be
26 returned to their respective statuses as of the date and time immediately prior to the execution of
27 this Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had
28

1 not been executed, except that any fees already incurred by the Claims Administrator shall be paid
2 by Defendants.

3 2. Nullification of the Settlement Agreement. In the event: (i) the Court does
4 not enter the Preliminary Approval Order and approve the Released Claims specified herein;
5 (ii) the Court does not finally approve the Settlement as provided herein; (iii) Defendants exercise
6 their option to nullify the Settlement Agreement based on an excessive number of opt-outs, as
7 described in the above Section; or (iv) the Settlement does not become final for any other reason
8 (*e.g.*, an objection by the LWDA), this Settlement Agreement shall be null and void. A reduction
9 of the Attorneys' Fees and Costs and/or any Class Representative Enhancement Payment(s) shall
10 not be grounds for nullification of this Settlement. If the Settlement is nullified, any order or
11 judgment entered by the Court in furtherance of this Settlement Agreement shall be treated as void
12 from the beginning, and the Stipulations and Recitals contained herein shall be of no force or
13 effect, and shall not be treated as an admission by the Parties or their counsel. In such a case, the
14 Parties and any funds to be awarded under this Settlement Agreement shall be returned to their
15 respective statuses as of the date and time immediately prior to the execution of this Settlement
16 Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had not
17 been executed, except that any fees already incurred by the Claims Administrator shall be paid
18 equally by both Parties. The Parties agree that they will cooperate and take all steps necessary in
19 order to obtain preliminary and/or final approval in the event that the Court raises issues or
20 questions about this Settlement or anything pertaining to this Settlement (including, but not
21 limited to, the motion for preliminary approval and motion for final approval).

22 3. Settlement Terms Bind All Class Members Who Do Not Opt Out. Any
23 Class Member who does not affirmatively opt out of the Settlement Agreement by submitting a
24 timely and valid Request for Exclusion will be bound by all its terms, including those pertaining to
25 the Released Claims.

26 **XIII. Certification Reports Regarding Individual Settlement Payment Calculations.**

27 1. The Claims Administrator will provide Defendants' counsel and Class
28 Counsel a weekly report which certifies: (a) the number of Class Members who have submitted

1 valid Requests for Exclusion; (b) any objections submitted to the Settlement along with a copy of
2 any such objection; and (c) whether any Class Member has submitted a challenge to any
3 information contained in his/her Notice Packet. Additionally, the Claims Administrator will
4 provide to counsel for both Parties any updated reports regarding the administration of the
5 Settlement Agreement as needed or requested.

6 2. Uncashed Settlement Checks. Any checks issued by the Claims
7 Administrator to Class Members will be negotiable for one-hundred eighty (180) calendar days.
8 After one-hundred eighty (180) calendar days from the date of mailing, the checks shall become
9 null and void, and any monies remaining in the distribution account shall be distributed to the
10 Controller of the State of California to be held pursuant to the Unclaimed Property Law,
11 California Civil Code § 1500 *et seq.*, for the benefit of those Settlement Class members or
12 Aggrieved Employees who did not cash their checks until such time that they claim their property.
13 The Settling Parties agree that this disposition results in no “unpaid residue” under California
14 Civil Procedure Code § 384, as the entire Settlement Payment will be paid out to Settlement Class
15 members, whether or not they all cash their Settlement Checks. Therefore, Defendants will not be
16 required to pay any interest on said amount.

17 3. Certification of Completion. Upon completion of administration of the
18 Settlement, the Claims Administrator will provide a written declaration under oath to certify such
19 completion to the Court and counsel for all Parties.

20 **XIV. Tax Treatment of Individual Settlement Payments.**

21 The Individual PAGA Payments will be allocated as 100% penalties and reported on an
22 IRS-Form 1099. All Individual Settlement Payments will be allocated as follows: one-third (1/3)
23 of each Individual Settlement Payment will be allocated as wages and two-thirds (2/3) will be
24 allocated as non-wages. The portion allocated to wages will be reported on an IRS Form W-2 and
25 the portion allocated to non-wages will be reported on an IRS Form-1099 by the Claims
26 Administrator. The Individual Settlement Payments will be reduced by any required legal
27 deductions for each Class Member. All standard employee payroll deductions will be made for
28 state and federal withholding taxes, including any other applicable payroll deductions owed by the

1 Class Members as a result of the wage component, resulting in a net wage component. The
2 Claims Administrator will issue a check and W-2 Form to each Class Member for the wage
3 component. The Claims Administrator will issue a second check and IRS Form-1099 for the
4 remaining non-wages component. No withholding shall be made on the non-wages portion of the
5 Individual Settlement Payment. The Claims Administrator shall be responsible for issuing the
6 payments and calculating and withholding all required state and federal taxes. The Claims
7 Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement
8 Payments under the terms of this Settlement Agreement. Any disputes not resolved by the Claims
9 Administrator concerning the administration of the Settlement will be resolved by the Court, under
10 the laws of the State of California. Prior to any such involvement of the Court, counsel for the
11 Parties will confer in good faith to resolve the dispute without the necessity of involving the Court.

12 **XV. Administration of Taxes by the Claims Administrator.**

13 1. Tax Liability. Defendants make no representation as to the tax treatment or
14 legal effect of the payments called for hereunder, and Plaintiff and Class Members are not relying
15 on any statement, representation, or calculation by Defendants or by the Claims Administrator in
16 this regard. Plaintiff and Class Members understand and agree they will be solely responsible for
17 the payment of their share of any taxes and penalties assessed on the payments described herein.

18 2. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT
19 AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY”
20 AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE
21 ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES
22 THAT (1) NO PROVISION OF THIS SETTLEMENT AGREEMENT, AND NO WRITTEN
23 COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR
24 ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY
25 SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
26 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
27 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
28 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS

1 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
2 ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT
3 ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE
4 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO
5 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
6 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY
7 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
8 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
9 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
10 OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF
11 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
12 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
13 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
14 SETTLEMENT AGREEMENT.

15 **XVI. Releases.**

16 1. No Prior Assignments. The Parties and their counsel represent, covenant,
17 and warrant that they have not directly or indirectly assigned, transferred, encumbered, or
18 purported to assign, transfer, or encumber to any person or entity any portion of any liability,
19 claim, demand, action, cause of action or right herein released and discharged.

20 2. It is the desire of Plaintiff, Class Members (except those who exclude
21 themselves from the Settlement), and Defendants to fully, finally, and forever settle, compromise,
22 and discharge the Released Class Claims and Released Aggrieved Employee Claims. Upon the
23 Final Approval by the Court of this Settlement Agreement, and except as to such rights or claims
24 as may be created by this Settlement Agreement, the Class Members shall fully release and
25 discharge the Released Parties from any and all Released Class Claims for the entire Class Period
26 and the Aggrieved Employees shall fully release and discharge the Released Parties from any and
27 all Released Aggrieved Employee Claims for the entire PAGA Period. This release shall be
28 binding on all Class Members who have not timely submitted a valid and complete Request for

1 Exclusion, including each of their respective attorneys, agents, spouses, executors, representatives,
2 guardians ad litem, heirs, successors, and assigns, and shall inure to the benefit of the Released
3 Parties, who shall have no further or other liability or obligation to any Class Member with respect
4 to the Released Class Claims, except as expressly provided herein.

5 **XVII. Preliminary Approval Hearing.**

6 1. Plaintiff will obtain a hearing before the Court to request Preliminary
7 Approval of the Settlement Agreement and the entry of a Preliminary Approval Order for: (a)
8 conditional certification of the Settlement Class for settlement purposes only, (b) Preliminary
9 Approval of the proposed Settlement Agreement, and (c) setting a date for a Final
10 Approval/Settlement Fairness Hearing.

11 2. The Preliminary Approval Order will provide for the Notice Packet to be
12 sent to all Class Members as specified herein. In conjunction with the Preliminary Approval
13 Hearing, Plaintiff will submit this Settlement Agreement and will include the proposed Notice
14 Packet.

15 3. Class Counsel will be responsible for drafting all documents necessary to
16 obtain Preliminary Approval, subject to review by Defendants' counsel. Any failure by the Court
17 to fully and completely approve the Settlement Agreement which has the effect of preventing the
18 full and complete approval of the Settlement Agreement as written and agreed to by the Parties
19 will result in this Settlement Agreement, and all obligations under this Settlement Agreement,
20 being nullified and voided.

21 **XVIII. Final Settlement Approval Hearing and Entry of Judgment.**

22 1. Upon expiration of the Response Deadline, and with the Court's
23 permission, a Final Approval/Settlement Fairness Hearing will be conducted to determine the
24 Final Approval of the Settlement Agreement along with the amounts properly payable for: (a)
25 Individual Settlement Payments and Individual PAGA Payments; (b) the LWDA payment; (c) the
26 Attorneys' Fees and Costs; (d) the Class Representative Enhancement Payment; and (e) all Claims
27 Administration Costs.

1 2. Depending on the Court's availability, the Parties will request that the Final
2 Approval Hearing will be held no later than forty-five (45) calendar days after the Response
3 Deadline. A violation of this provision shall not serve as grounds for nullification of this
4 Agreement.

5 3. Class Counsel will be responsible for drafting all documents necessary to
6 obtain Final Approval, subject to review by Defendants' counsel. Class Counsel will also be
7 responsible for drafting the Attorneys' Fees and Costs application to be heard at the Final
8 Approval/Settlement Fairness Hearing. Any failure by the Court to fully and completely approve
9 the Settlement Agreement will result in this Settlement Agreement entered into by the Parties, and
10 all obligations under this Settlement Agreement, being nullified and voided. Upon such failure,
11 any order or judgment entered by the Court in furtherance of this Settlement Agreement shall be
12 treated as void from the beginning, and the Stipulations and Recitals contained herein shall be of
13 no force or effect and shall not be treated as an admission by the Parties or their counsel. In such a
14 case, the Parties and any funds to be awarded under this Settlement Agreement shall be returned to
15 their respective statuses as of the date and time immediately prior to the execution of this
16 Settlement Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement
17 had not been executed, except that any fees already incurred by the Claims Administrator shall be
18 paid equally by both Parties.

19 **XIX. Judgment and Continued Jurisdiction.**

20 The Court shall retain jurisdiction with respect to the interpretation,
21 implementation, and enforcement of the terms of this Settlement Agreement and all orders and
22 judgments entered in connection therewith, and the Parties and their counsel hereto submit to the
23 jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement
24 embodied in this Settlement Agreement and all orders and judgments entered in connection
25 therewith.

26 **XX. Escalator Clause**

27 This settlement is based on Defendants' representation that there are approximately
28 750 Class Members (in total) and approximately 60,000 employee workweeks (in total)

1 encompassed in the Class Period as of April 1, 2022. If the actual number of employee workweeks
2 encompassed within the Class Period as of April 1, 2022 exceeds 60,000 by more than 12.5%, then,
3 Plaintiff has the option to nullify this Agreement. Plaintiff shall provide ten (10) business days' notice
4 of such intent to nullify prior to taking any action with the court. During this 10 day nullification
5 notice period, Defendants at their exclusive discretion may agree to increase the Gross Settlement
6 Amount proportionately for any excess increase in the total number of Settlement Class members.
7 For example, if the total number of Settlement Class members increases by 13%, the Gross
8 Settlement Amount will increase by .5% (actual increase minus the 12.5% tolerated increase). In the
9 alternative, Defendants shall have the exclusive option to modify the applicable Class Period to a
10 date prior to August 19, 2022 to avoid incurring the pro rata increase.

11 **XXI. Other Provisions.**

12 1. Exhibits Incorporated by Reference. The terms of this Settlement include
13 the terms set forth in any attached Exhibits, which are incorporated by this reference as though
14 fully set forth herein. Any Exhibits to this Settlement are an integral part of the Settlement.

15 2. Entire Agreement. This Settlement Agreement any attached Exhibits and
16 Plaintiff's individual settlement agreement constitute the entirety of the Parties' settlement terms.
17 No other prior or contemporaneous written or oral agreements may be deemed binding on the
18 Parties.

19 3. Amendment or Modification. This Settlement Agreement may be amended
20 or modified only by a written instrument signed by counsel for all Parties or their successors-in-
21 interest and approved by the Court.

22 4. Authorization to Enter Into Settlement Agreement. Counsel for all Parties
23 warrant and represent they are expressly authorized by the Parties whom they represent to
24 negotiate this Settlement Agreement and to take all appropriate action required or permitted to be
25 taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute
26 any other documents required to effectuate the terms of this Settlement Agreement. The Parties
27 and their counsel will cooperate with each other and use their best efforts to effect the
28 implementation of the Settlement. If the Parties are unable to reach agreement on the form or

1 content of any document needed to implement the Settlement, or on any supplemental provisions
2 that may become necessary to effectuate the terms of this Settlement, the Parties may seek the
3 assistance of Steve Rottman, Esq. (mediator) to resolve such disagreement.

4 5. Binding on Successors and Assigns. This Settlement Agreement will be
5 binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as
6 previously defined.

7 6. California Law Governs. All terms of this Settlement Agreement and
8 Exhibits hereto will be governed by and interpreted according to the laws of the State of
9 California.

10 7. Execution and Counterparts. This Settlement Agreement is subject only to
11 the execution of all Parties. However, the Settlement Agreement may be executed in one or more
12 counterparts. All executed counterparts and each of them, including electronic signatures (*e.g.*,
13 DocuSign), facsimile and scanned copies of the signature page, will be deemed to be one and the
14 same instrument. The Parties expressly agree to the use of authorized electronic signature (*e.g.*,
15 DocuSign).

16 8. Acknowledgement that the Settlement is Fair and Reasonable. The Parties
17 believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and
18 have arrived at this Settlement after arm's-length negotiations and in the context of adversarial
19 litigation, taking into account all relevant factors, present and potential. The Parties further
20 acknowledge that they are each represented by competent counsel and that they have had an
21 opportunity to consult with their counsel regarding the fairness and reasonableness of this
22 Settlement.

23 9. Invalidity of Any Provision. Before declaring any provision of this
24 Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the
25 fullest extent possible consistent with applicable precedents so as to define all provisions of this
26 Settlement Agreement valid and enforceable.

27 10. Class Action Certification for Settlement Purposes Only. The Parties agree
28 to stipulate to class certification only for purposes of the Settlement. If, for any reason, the

1 Settlement is not approved, the stipulation to certification will be void. The Parties further agree
2 that certification for purposes of the Settlement is not an admission that class action certification is
3 proper under the standards applied to contested certification motions and that this Settlement
4 Agreement will not be admissible in this or any other proceeding as evidence that either: (a) a
5 class action should be certified or (b) Defendants are liable to Plaintiff or any Class Member, other
6 than according to the Settlement's terms.

7 11. Non-Admission of Liability. The Parties enter into this Settlement
8 Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense,
9 and risk of continued litigation. In entering into this Settlement Agreement, Defendants do not
10 admit, and specifically deny, they have violated any federal, state, or local law; violated any
11 regulations or guidelines promulgated pursuant to any statute or any other applicable laws,
12 regulations or legal requirements; breached any contract; violated or breached any duty; engaged
13 in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to
14 their employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of
15 the negotiations connected with it, shall be construed as an admission or concession by Defendants
16 of any such violations or failures to comply with any applicable law. Except as necessary in a
17 proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its
18 terms and provisions shall not be offered or received as evidence in any action or proceeding to
19 establish any liability or admission on the part of Defendants or to establish the existence of any
20 condition constituting a violation of, or a non-compliance with, federal, state, local or other
21 applicable law.

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

25 13. Waiver. No waiver of any condition or covenant contained in this
26 Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be
27 considered to imply or constitute a further waiver by such party of the same or any other
28 condition, covenant, right or remedy.

1 14. Enforcement Action. If one or more of the Parties institutes any legal
2 action or other proceeding against any other Party or Parties to enforce the provisions of this
3 Settlement or to declare rights and/or obligations under this Settlement, the successful Party or
4 Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees
5 and costs, including expert witness fees incurred in connection with any enforcement Action.

6 15. Mutual Preparation. The Parties have had a full opportunity to negotiate the
7 terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will
8 not be construed more strictly against one Party than another merely by virtue of the fact that it
9 may have been prepared by counsel for one of the Parties, it being recognized that, because of the
10 arm's-length negotiations between the Parties, all Parties have contributed to the preparation of
11 this Settlement Agreement.

12 16. Representation by Counsel. The Parties acknowledge that they have been
13 represented by counsel throughout all negotiations that preceded the execution of this Settlement
14 Agreement and that this Settlement Agreement has been executed with the consent and advice of
15 counsel and reviewed in full. Further, Plaintiff and Class Counsel warrant and represent that there
16 are no liens on the Settlement Agreement.

17 17. All Terms Subject to Final Court Approval. All amounts and procedures
18 described in this Settlement Agreement herein will be subject to final Court approval.

19 18. Cooperation and Execution of Necessary Documents. All Parties will
20 cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate
21 the terms of this Settlement Agreement.

22 19. Confidentiality. Neither Plaintiff nor Plaintiff's Counsel shall issue any
23 press release or announcement of any kind related in any way to the Settlement. Plaintiff and
24 Plaintiff's Counsel agree that, prior to Preliminary Approval of the Settlement, they will keep the
25 terms of this Settlement confidential except for purposes of communicating with Plaintiff only.
26 Plaintiff shall be informed that the Settlement is confidential and shall be advised to keep the
27 Settlement confidential. From and after Preliminary Approval of the Settlement, the Class
28 Members (including Plaintiff and Class Counsel) may: (1) as required by law; (2) as required

1 under the terms of the Settlement; or (3) as required under counsel's duties and responsibilities as
2 Class Counsel, comment regarding the specific terms of the Settlement. In all other cases,
3 Plaintiff and Class Counsel agree to limit their statements regarding the terms of the Settlement,
4 whether oral, written or electronic (including the world wide web), to say the Class Action has
5 been resolved and that Plaintiff and Class Counsel are satisfied with the Settlement terms.
6 Nothing in this Section is intended to interfere with Class Counsel's duties and obligations to
7 faithfully discharge their duties as Class Counsel, including but not limited to, communicating
8 with Class Members regarding the Settlement. This Settlement shall not be advertised or
9 mentioned on any source, including Plaintiff's Counsels' personal or firm website(s).

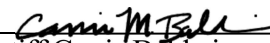
10 The parties stipulate and agree, pursuant to California Code of Civil Procedure
11 section 583.330(a), to extend the time within which this action must be brought to trial pursuant to
12 Code of Civil Procedure sections 583.310 through 583.360, by that period of time from
13 Preliminary Approval to the date of Final Approval or upon written notice from either party of an
14 intent to resume litigation, and that said period of time shall not be included in the computation of
15 the five-year period specified in Code of Civil Procedure section 583.310.

16 20. Binding Agreement. The Parties warrant that they understand and have full
17 authority to enter into this Settlement, intend that this Settlement Agreement will be fully
18 enforceable and binding on all Parties, and agree that it will be admissible and subject to
19 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
20 provisions that otherwise might apply under federal or state law. Plaintiff, and not her respective
21 representative(s), must personally execute this Settlement Agreement.

22 *The Settlement Agreement consists of 33 pages with signatures appearing below.*

23
24 Dated: 08/19/2022

PLAINTIFF CARRIE BALDWIN

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27 Plaintiff Carrie Baldwin
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Dated: _____

PATAGONIA, INC.

Please Print Name of Authorized Signatory

GREAT PACIFIC IRON WORKS

Dated: _____

Please Print Name of Authorized Signatory

APPROVED AS TO FORM

LABOR LAW PC

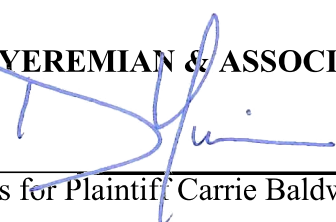
Dated: 08/19/2022



Attorneys for Plaintiff Carrie Baldwin

DAVID VEREMIAN & ASSOCIATES, INC.

Dated: 8/19/2022



Attorneys for Plaintiff Carrie Baldwin

**SHEPPARD, MULLIN, RICHTER &
HAMPTON LLP**

Dated: _____

Jason W. Kearnaghan
Attorneys for Defendants Patagonia, Inc. and
Great Pacific Iron Works

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Dated: 8/19/2022

PATAGONIA, INC.

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Hilary Dessouky
Please Print Name of Authorized Signatory

Dated: 8/19/2022

GREAT PACIFIC IRON WORKS

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Hilary Dessouky
Please Print Name of Authorized Signatory

APPROVED AS TO FORM

LABOR LAW PC

Dated:

Attorneys for Plaintiff Carrie Baldwin

DAVID YEREMIAN & ASSOCIATES, INC.

Dated:

Attorneys for Plaintiff Carrie Baldwin

**SHEPPARD, MULLIN, RICHTER &
HAMPTON LLP**

Dated: August 19, 2022


Jason W. Kearnaghan
Attorneys for Defendants Patagonia, Inc. and
Great Pacific Iron Works

EXHIBIT “1”

NOTICE OF CLASS ACTION SETTLEMENT

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

CARRIE BALDWIN, individually, and on
behalf of the putative class,

Plaintiff,

vs.

PATAGONIA, INC., a corporation; GREAT
PACIFIC IRON WORKS, a corporation; and
DOES 1-50, inclusive,

Defendants.

CASE NO. 20STCV40245

ASSIGNED FOR ALL PURPOSES TO
THE HON. MAREN NELSON
DEPT. 17

NOTICE OF CLASS ACTION SETTLEMENT

THIS IS AN IMPORTANT COURT APPROVED NOTICE. READ CAREFULLY.

If You Worked For Patagonia, Inc. or Great Pacific Iron Works (collectively referred to as “Defendants”) as a non-exempt employee in the State of California at any time between August 6, 2016 through August 19, 2022,

You May Be Entitled to Participate in a Class Action Settlement.

The Los Angeles County Superior Court approved this notice. This is not an advertisement.
You are not being sued. Your legal rights are affected whether you act or not.

PLEASE READ THIS NOTICE.

- Carrie Baldwin (“Plaintiff”) sued Defendants on behalf of herself and others similarly situated (the “Class”) for the following claims: (1) failure to provide required meal periods; (2) failure to provide required rest periods; (3) failure to pay overtime wages; (4) failure to pay minimum wages; (5) failure to timely pay wages during employment; (6) failure to pay all wages due to discharged and quitting employees; (7) failure to maintain required records; (8) failure to furnish accurate, itemized wage statements; (9) unfair business practices; (10) failure to indemnify employees for necessary business expenses; and (11) penalties under the Private Attorneys General Act (“PAGA”) (the “Action”).
- The Court has preliminarily approved a Class, Collective and Representative Action Settlement (the “Settlement”) with Defendants, which will affect all current and former non-exempt employees, who worked for Defendants in the State of California at any time between August 6, 2016 and August 19, 2022.
- If the Court grants final approval of the Settlement, you could receive money from the settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

DO NOTHING	Stay in this Lawsuit. Receive a payment. Give up certain rights. By doing nothing, you will collect a settlement award as detailed below. However, you give up certain rights to sue Defendants separately for the legal claims raised in this Lawsuit.
OBJECT TO THE SETTLEMENT	Stay in this Lawsuit. May give up certain rights. If you object to the Settlement, you will remain a member of the Class, and if the Court disagrees with your objections and approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object.
ASK TO BE EXCLUDED	Get out of this Lawsuit. Receive only an Individual PAGA Payment. Give up certain rights related to PAGA. If you ask to be excluded from the Settlement, you will only receive an individual PAGA Payment and not receive any other payments from the Settlement award. You will give up certain rights to sue Defendant under PAGA. However, you keep any rights to individually sue Defendant separately for the legal claims raised or that could have been raised in this Lawsuit.

- Regardless of the option you choose, you will not be retaliated against for exercising any of your rights, detailed above.
- Your options are explained in this notice. To object to the Settlement or ask to be excluded, you must act before **[Response Deadline]**.
- If you have any questions, please read on or contact Class Counsel or the Settlement Administrator, using the contact information listed below.

BASIC INFORMATION

1. Why did I get this notice?

You are not being sued. Plaintiff sued Defendants in a class and representative action on behalf of employees like you. Defendant's records show that you worked for Defendants in California as an hourly employee at any time between August 6, 2016 and August 19, 2022. This notice

explains that the Court has given preliminary approval to a settlement in a conditionally certified class and representative action lawsuit that may affect you.

The Court has determined that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable. Any final determination of those issues will be made at the final fairness hearing. You have legal rights and options that you may exercise as part of this Settlement.

This Notice explains the Action, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What is this lawsuit about?

The Lawsuit is about whether Defendants failed to pay minimum, overtime, and wages owed, failed to maintain accurate records, failed to provide accurate wage statements, failed to provide required meal periods, failed to provide required rest periods, failed to timely pay quitting and discharged employees, and failed to indemnify employees for necessary expenditures incurred in the discharge of their duty, in violation of applicable California and Federal laws, including the California's Labor Code, California's Unfair Competition Laws, and PAGA.

Throughout the litigation, Defendants have denied—and continues to deny—the factual and legal allegations in the case and has maintained that it has valid defenses to the claims. Defendants concluded that any further defense of this litigation will be protracted and expensive for all parties. Defendants have already spent time, energy, and resources defending this case, and, unless the settlement is agreed to, will have to continue to devote time, energy and resources to the defense of the claims asserted in this Action. Defendants have voluntarily agreed to the terms of a negotiated settlement to avoid the burden and expense of continued litigation. By agreeing to settle, Defendants are not admitting liability on any of the factual allegations or claims in the Lawsuit or that the Lawsuit can or should proceed as a class action or PAGA action.

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

In a class and representative action lawsuit such as this, people called the “Class Representatives” (in this case Carrie Baldwin) sue on behalf of other people who they believe have similar claims. The people together are a “Class” or “Class Members.” The people who are the Class Representatives are also called the Plaintiff. The company sued (in this case, Patagonia, Inc. and Great Pacific Iron Works) are called the Defendants. In class action litigation, one Court resolves the issues for everyone in the Class in one lawsuit, except for those people who choose to exclude themselves from the Class.

4. Why is this Lawsuit a class action?

As part of the Settlement, Plaintiff and Defendants agreed to conditionally certify the California Class with respect to all of the claims Plaintiff alleged against Defendants as a class and representative action, for settlement purposes only and to ask the Court to approve the Settlement. The Court has not ruled on the merits of these claims, and the decision to certify the agreed-upon

Class for settlement purposes should not be viewed as a prediction or agreement that Plaintiff or the California Class would ultimately prevail on the merits of the action.

5. What are the terms of the proposed Settlement?

The major terms of the Settlement are as follows:

1. Defendants have agreed to pay \$500,000.00 to settle the claims made in this Lawsuit. This amount is also known as the “Gross Settlement Amount”.
2. Plaintiff Carrie Baldwin has agreed to release all of her claims in the Lawsuit against Defendants.
3. Plaintiff seek the following deductions from the \$500,000.00 Gross Settlement Amount:
 - a. Up to one-third (1/3) of the Gross Settlement Amount (currently equal to \$166,666.67) for Class Counsel’s attorneys’ fees.
 - b. Up to \$18,000.00 for reimbursement of Class Counsel’s litigation costs.
 - c. A Service Award of up to \$7,500.00 to Plaintiff, for filing the Lawsuit, performing work in connection with the Lawsuit, a general release of claims, and undertaking the risks of filing the Lawsuit.
 - d. Up to \$20,000.00 to cover the costs of the Settlement Administrator.

If the Court approves each of the requested deductions from the Gross Settlement Amount, the Parties estimate there will be approximately \$287,833.33 remaining. The remaining funds will be referred to as the “Net Settlement Amount.” From this amount, \$20,000.00 will be deducted as the PAGA Payment. 75% of the PAGA Payment, approximately \$15,000.00 will be paid to California’s Labor and Workforce Development Agency (the “LWDA”). The remaining 25% of the PAGA Payment, approximately \$5,000.00, will be allocated to the PAGA Settlement Fund, and will be distributed to all members of the Class, including those who submit Requests for Exclusion, in proportion to their Individual PAGA Payment Amounts.

The Individual Payment Amount for each Class Member will be calculated by the Settlement Administrator using the Class Information provided by Defendants as follows. Individual Payment Amounts shall be each Participating Claimant’s *pro rata* portion of the Class Settlement Fund (for Participating Class Members), based on his or her number of Compensable Workweeks. Compensable Workweeks means the number of weeks worked by each Participating Claimant during the Class Period for Class Members, based on Defendant’s records and used as a value to calculate Individual Payment Amounts. Compensable Workweeks will be calculated by the Settlement Administrator by determining the number of days between the start and end dates of employment as an hourly-paid or non-exempt employee for Defendant within the California Class Period (using August 6, 2016 as the start date for Class Members, and using August 19, 2022 as the end date of employees that worked within California), dividing the resulting number by seven, and rounding up to the nearest whole number. Class Members who do not exclude themselves

(collectively, “Participating Claimants”) will be credited with at least one Compensable Workweek. The Settlement Administrator will divide each Participating California Class Member’s Compensable Workweeks by the total Compensable Workweeks for all Participating Class Members, resulting in a Payment Ratio for each Participating Class Member. Each Participating Class Member’s Payment Ratio will then be multiplied by the Class Settlement Fund to determine his or her estimated Individual Payment Amount.

Your estimated Individual Payment Amount is listed in Section 8 of this Notice. Each California Class Member’s Individual Payment Amount will represent wages and penalties allocated using the following formula: one-third allocated to wages for which IRS Forms W-2 will be issued, one-third allocated to interest for which IRS Forms 1099-MISC will be issued, and one-third allocated to penalties for which IRS Forms 1099-MISC will be issued. Participating Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement.

Additionally, the Individual PAGA Payment Amount, payable to each Class Member, including those who submit a Request for Exclusion, will be calculated by the Settlement Administrator using the Class Information provided by Defendant as follows. Individual PAGA Payment Amounts shall be each Class Member’s *pro rata* portion of the PAGA Settlement Fund, based on his or her number of PAGA Compensable Workweeks. PAGA Compensable Workweeks means the number of weeks worked by each Class Member during the PAGA Period (defined as the period from August 6, 2019 through August 19, 2022) and used as a value to calculate Individual PAGA Payment Amounts. PAGA Compensable Workweeks will be calculated by the Settlement Administrator by determining the number of days between the start and end dates of employment for each Class Member as an hourly-paid or non-exempt employee for Defendant within the PAGA Period, dividing the resulting number by seven (7), and rounding up to the nearest whole number. The Settlement Administrator will divide each Class Member’s PAGA Compensable Workweeks by the total PAGA Compensable Workweeks for all Class Members, resulting in a PAGA Payment Ratio for each Class Member. Each Class Member’s PAGA Payment Ratio will then be multiplied by the PAGA Settlement Fund to determine his or her Individual PAGA Payment Amount.

Your estimated Individual PAGA Payment Amount is listed in Section 9 of this Notice. Each Class Member’s Individual PAGA Payment Amount will represent non-wage penalties and will be reported, if required, on an IRS Form 1099 provided to each Class Member. Class Members should consult their tax advisors concerning the tax consequences of any payments they receive under the Settlement.

WHO IS IN THE CLASS?

6. Am I part of this Class?

The “Class” includes: all current and former hourly-paid or non-exempt employees who worked for Defendants in the State of California at any time between August 6, 2016 through August 19, 2022 the date of the Preliminary Approval Order (the “Class Period”).

7. I'm still not sure if I am included.

If you still are not sure whether you are included in the Class, you can get free help by contacting ILYM Group, Inc., the "Settlement Administrator", at the designated phone number for this matter at [REDACTED] or by calling or writing the lawyers representing the Class in this case ("Class Counsel") at the phone number or address listed in Section 21.

YOUR RIGHTS AND OPTIONS

You have to decide whether to stay in the Class, or ask to be excluded from the Settlement. These options are further explained below, including any dates by which you need to take any actions.

8. What is my approximate Individual Payment Amount?

According to payroll records maintained by Defendants, the total number of weeks you worked in California for Defendants as an hourly/non-exempt employee, during the California Class Period is [REDACTED] workweeks.

Based on information provided above, anticipated court-approved deductions, and preliminary calculations of Compensable Workweeks, it is estimated your share of the Settlement will be \$[REDACTED], less applicable taxes and withholdings.

You do not need to do anything further to receive your Individual Settlement Payment, other than to ensure that the Settlement Administrator has an accurate mailing address for you. It is important that you contact and inform the Settlement Administrator listed in Section 18, below, of any changes to your mailing address for timely payment.

Settlement Payment checks returned as undeliverable and unclaimed and uncashed 180 days after issuance and delivery to California Class Members shall be delivered to the Unclaimed Property Fund maintained by the California State Controller's Office, to be held for the relevant California Class Member pursuant to California's Unclaimed Property Law.

9. What is my approximate Individual PAGA Payment?

According to payroll records maintained by Defendants, the total number of weeks you worked in California for Defendants as an hourly/non-exempt employee, during the PAGA Period is [REDACTED] workweeks.

Based on the information provided above, anticipated court-approved deductions, and preliminary calculations of PAGA Compensable Workweeks, it is estimated your Individual PAGA Payment will be \$[REDACTED], less applicable taxes and withholdings.

You do not need to do anything further to receive your Individual PAGA Payment, other than ensure that the Settlement Administrator has an accurate mailing address for you. It is important

that you contact and inform the Settlement Administrator listed in Section 21, below, of any changes to your mailing address for timely payment.

Settlement Payment checks returned as undeliverable and unclaimed and uncashed 180 days after issuance and delivery to Class Members shall be delivered to the Unclaimed Property Fund maintained by the California State Controller's Office, to be held for the relevant Class Member pursuant to California's Unclaimed Property Law.

Disputing Your Payment Amount

If you believe your Compensable Workweeks and/or estimated Individual Payment Amount shown above is not correct, you may provide documentation and/or an explanation showing contrary information directly to the Settlement Administrator by the Response Deadline. Your dispute must: (1) contain the case name and number of the Lawsuit; (2) contain the Class Member's full name, address, telephone number, and last four digits of his or her Social Security number; (3) contain a clear statement explaining that the Class Member wishes to dispute the number of Compensable Workweeks credited to him or her and also stating the number of Compensable Workweeks that he or she contends is correct; and (4) attach documentation demonstrating that the Class Member was not credited with the correct number of Compensable Workweeks. The Settlement Administrator will attempt to resolve any dispute based upon Defendants' records and any information you provide. Any disputes not otherwise resolved by the Settlement Administrator will be resolved by the Court. Any such dispute must be mailed to the Settlement Administrator no later than **[DATE]**.

10. What rights am I releasing if I participate in the Settlement?

If the Court grants final approval of the Settlement and you do not opt out of the Settlement, you will be deemed to have released Defendants from all claims, rights, demands, liabilities, and causes of action that were alleged or reasonably could have been alleged based on the facts in Plaintiff's letter to California's Labor and Workforce Development Agency ("LWDA") or the operative First Amended Complaint (the "Operative Complaint") during the period of August 6, 2016 through August 19, 2022 for Class Members, whether sounding in law or equity, tort, contract, statute, or other applicable federal, state or local law or regulation ("Released Claims"). These Released Claims include but are not limited to: claims for unpaid wages, including, but not limited to, failure to pay minimum wages, straight time compensation, overtime compensation, double-time compensation, and interest; the calculation of the regular rate of pay; wages related to alleged unlawful time rounding; reporting time pay; on-call pay; travel time pay; failure to pay wages at least twice each calendar month; failure to timely pay wages; missed/short/late/interrupted meal period, rest period, and/or recovery period wages/premiums; failure to provide meal periods; failure to authorize and permit rest periods and/or recovery periods; the calculation of meal, rest, and/or recovery period premiums; reimbursement for all necessary business expenses, including work-related cell-phone expenses and car mileage for work-related travel; payment for all hours worked, including off-the-clock work; failure to provide/furnish accurate itemized wage statements; deductions; failure to keep/maintain accurate records; failure to timely pay final wages; unlawful deductions and/or withholdings from wages; unfair business practices; penalties, including, but not limited to, recordkeeping penalties, wage statement and payroll reporting penalties, minimum-wage penalties, and waiting-time penalties;

and attorneys' fees and costs; for civil and statutory penalties, including wage statement and payroll reporting penalties, record keeping penalties, minimum wage penalties, penalties for personnel file violations; attorneys' fees and costs; and unfair business practices related to the Released Class Claims. The Released Class Claims also include but are not limited to all such claims arising under: California Labor Code sections 200, 201, 201.1, 201.3, 201.5, 202, 203, 204, 204.1, 204.2, 206, 210, 216, 218, 218.5, 218.6, 221, 225.5, 223, 224, 225, 255.5, 226, 226.2, 226.3, 226.7, 226.8, 247.5, 248.5, 256, 450, 510, 511, 512, 515, 516, 558, 1174, 1174.5, 1175, 1182.12, 1194, 1194.2, 1194.3, 1197, 1197.1, 1197.2, 1198, 1198.5, 1199, 2698 *et seq.*, 2699 *et seq.*, 2802, and 2804; all claims arising under the California Private Attorneys General Act of 2004 ("PAGA") related to the Released Claims and Released Aggrieved Employee Claims; California Code of Regulations tit. 8 section 3395; all claims relating to the Released Class Claims under the California Business and Professions Code section 17200, *et seq.*; the Release shall also include all claims relating to the Released Claims under the applicable Wage Orders of the California Industrial Welfare Commission (including, but not limited to, IWC Wage Order Nos. 4- 2001, 5-2001, 10-2001 and 8 CCR § 11100) for failure to provide accurate itemized wage statements, failure to provide right to inspect or copy personnel files, failure to keep accurate records, for civil and statutory penalties, including wage statement penalties, record keeping penalties, reporting time pay, and penalties for personnel file violation. The Released Claims include those under the Fair Labor and Standards Act ("FLSA"), including those related to recordkeeping obligations, 29 U.S.C. §211(c); 29 C.F.R. §§ 516, 778.223, 778.315, *et seq.*; and all state and federal law equivalents arising from or related to the facts and claims alleged in the Action and/or LWDA letter or that could have been alleged in the Action and/or LWDA letter; California Civil Code sections 3287, 3288, 3289; California Code of Civil Procedure § 1021.5; and the California common law of contract.

This release shall not apply to claims for workers' compensation benefits, unemployment insurance benefits, or any other claim or right that as a matter of law cannot be waived or released. The Released Claims do not include any claims for penalties by a Participating Class Member under the PAGA..

11. What rights am I releasing regardless of whether I participate in the Settlement?

In addition to those rights discussed in Section 10, if the Court grants final approval of the Settlement, you will be deemed to have released Defendants from all PAGA Released Claims during the PAGA Period. PAGA Released Claims are defined as those claims which were disclosed in both the Operative Complaint and in Class Counsel's letter to the LWDA, dated August 6, 2020. The PAGA Released Claims are limited to the following claims under the PAGA based on Defendants' alleged conduct: (i) failure to pay minimum wages; (ii) failure to timely pay final wages; (iii) failure to provide legally required meal breaks or pay premium pay due for such failure; (iv) failure to provide legally required rest breaks or pay premium pay due for such failure; and (v) failure to furnish accurate wage statements.

The release of the PAGA Released Claims shall apply whether or not you participate in the Settlement. Under this release, the right of the LWDA to investigate the PAGA Released Claims is not released, but the PAGA Released Claims does include a release of claims for penalties by a Class Member under the PAGA.

12. How do I object to the Settlement?

If you would like to object to the Settlement, you must **not** submit a request for exclusion (i.e., must not opt out). In order to object, you must mail or fax a written statement of objection (the “Notice of Objection”) to the Settlement Administrator at the address in Section 18 below. Any Notice of Objection must contain the following: (1) the case name and number of the Action; (2) the name, address, telephone number, and last four digits of the Social Security number of the person objecting to the Settlement; (3) a clear statement indicating that the individual seeks to object to the Settlement; (4) the specific legal and/or factual reason(s) in support of the objection; (5) a statement of whether the objector intends to appear at the Final Fairness Hearing and whether he or she is represented by counsel; and (6) the individual’s signature. You must mail or fax any Notice of Objection to the Settlement Administrator no later than [DATE]. You may appear in person at the Final Fairness and Approval Hearing to present any oral objections even if you do not submit a timely Notice of Objection.

13. Why would I ask to be excluded?

You have the right to exclude yourself from the Class (and the Settlement). If you exclude yourself from the Class—sometimes called “opting-out” of the Class – you will not get any portion of your Individual Payment Amount. However, you may then be able to sue or continue to sue Defendants for your own claims, if permitted by law. If you exclude yourself, you will still receive your Individual PAGA Payment Amount and will be legally bound by the Court’s disposition of this Lawsuit with respect to the PAGA Released Claims (as discussed in Section 11, above).

14. How do I ask to be excluded from the Class?

If you are a member of the Class described above and would like to exclude yourself from the Class (“opt-out”), you, or your authorized representative, need to submit a written statement requesting exclusion from the Class (the “Request for Exclusion”) to the Settlement Administrator at the address in Section 18 below. The Request for Exclusion must contain the following: (1) the case name and number of the Lawsuit; (2) the name, address, telephone number, and last four digits of the Social Security number of the person requesting the exclusion; (3) a clear statement indicating that the Class Member seeks to exclude himself or herself from the Settlement; and (4) the Class Member’s signature. Your request for exclusion statement should state as follows: “I have received the Notice of Class, Collective, and Representative Action Settlement in the case *Carrie Baldwin v. Patagonia Inc., et al.* and I desire to be excluded from the Settlement.” The statement must be signed by you or your authorized representative and must be faxed or postmarked on or before [DATE]. The date of the postmark on the mailing envelope shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. If you submit a Request for Exclusion that is not postmarked or faxed by [DATE], your Request for Exclusion will be rejected, and you will be included in the California Class.

Any Class Member who requests to be excluded from the Class will not be entitled to any portion of his or her Individual Payment Amount and, aside from releasing the PAGA Released Claims and receiving his or her Individual PAGA Payment Amount, will not be bound by the Settlement

or have any right to object, appeal, or comment thereon. Class Members who fail to submit a valid and timely request for exclusion on or before [DATE] will be bound by all terms of the Settlement and any final disposition entered in this Class Action if the Settlement is approved by the Court. If more than ten percent (10%) of the California Class Members opt out of the Settlement, Defendant will have, in its sole discretion, the option to terminate the Settlement.

Do not submit both a Request For Exclusion and an Objection. If you submit both, the request for exclusion will be valid, and you will be excluded from the Class.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this case?

The Court decided that David Yeremian & Associates, Inc. and Labor Law PC are qualified to represent you and all Class Members. The law firm is called "Class Counsel" in the context of this case. The law firm's attorneys are experienced in handling similar cases against other employers. More information about this law firm, its practice, and its lawyers' experience is available at www.laborlawpc.com and www.yeremianlaw.com. However, you may hire your own attorney at your own expense if you choose to do so.

16. How will the lawyers be paid?

As part of the Settlement with Defendants, Class Counsel has requested one-third of the Gross Settlement Amount (currently equal to \$166,666.67) in attorneys' fees, plus costs not to exceed \$18,000.00, to be paid from the Gross Settlement Amount to compensate Class Counsel for their work on this matter. You will not have to pay Class Counsel's fees and costs from your Individual Settlement Payment.

17. How will the Plaintiff be paid?

As part of the Settlement with Defendants, Class Counsel has requested a Service Award payment of up to \$7,500.00 to be paid to Plaintiff, for her efforts in this matter during initial investigation, discovery, mediation and the like, while serving as Class Representatives and taking on the burden and risks of litigation.

THE SETTLEMENT, APPROVAL, AND PAYMENT PROCESS

18. Who is handling the Settlement Administration process?

ILYM Group, Inc.

[address]

[address]

[Telephone]

[facsimile]

19. When is the Final Fairness and Approval Hearing and do I have to attend?

The Final Fairness and Approval Hearing has been set for [DATE], at [TIME] a.m. in Department [X] of the Los Angeles County Superior Court for the State of California, located at [ADDRESS]. You do not need to attend the hearing to be a part of the Settlement. However, if you wish to object to the Settlement, you may appear at the hearing. Please note that the hearing may be continued without further notice to the Class.

20. When will I get money after the hearing?

The Court will hold a hearing on [DATE], to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals if anyone objects. It is always uncertain when these objections and appeals can be resolved and resolving them can take time. To check on the progress of the Settlement, contact the Settlement Administrator or Class Counsel at the phone number or address listed in Section 21.

If the Court approves the Settlement and if you do not opt out, your individual payment set forth in Section 8 and the Individual PAGA Payment Amount set forth in Section 9 above is expected to be distributed after Defendant makes payment to the Settlement Administrator. If there are no objections or appeals, within thirty (30) calendar days after the Court approves the Settlement and the Final Order is signed by the Court, Defendants will make a payment of \$325,000 (funding the Gross Settlement Amount in full), and the Settlement Administrator will make Individual Settlement Payments to the Class Members no later than fourteen (14) days thereafter.

GETTING MORE INFORMATION

21. Are more details available?

This Notice only summarizes the Lawsuit, the Settlement, and related matters. For more information, the pleadings and other records in this Lawsuit, including copies of the First Amended Complaint and Settlement Agreement, may be examined at any time during regular business hours at the office of the Clerk of the Superior Court of the State of California for Los Angeles County Superior Court, located at [ADDRESS].

Any questions regarding this Class Notice or the Lawsuit may be directed to the Settlement Administrator at the below address and telephone number. Alternatively, you may contact your own attorney, at your own expense, to advise you, or you may contact Class Counsel at the address, telephone number or email address set forth below. If your address changes, or is different from the address on the envelope enclosing this Notice, please promptly notify the Settlement Administrator.

Settlement Administrator:

ILYM Group, Inc.

[address]

[address]

[telephone]

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PLEASE DO NOT CALL OR WRITE TO THE JUDGE OR TO THE COURT OR CLERK OF
THE COURT, OR TO ANY OF DEFENDANT'S MANAGERS, SUPERVISORS, OR
DEFENDANT'S ATTORNEYS WITH QUESTIONS.