

JOINT STIPULATION OF CLASS ACTION AND PAGA REPRESENTATIVE ACTION SETTLEMENT AND RELEASE

This Stipulation of Class Action and PAGA Representative Action Settlement and Release ("Stipulation" or "Settlement") is entered into by and between Plaintiffs, Fang Zhang and Ying Cao, on behalf of themselves and others similarly situated (collectively "Plaintiffs") and Defendant, Panrosa Enterprises, Inc. ("Defendant") (collectively the "Parties") with regard to the following action pending in the Superior Court of California, County of Riverside: *Fang Zhang, et al. vs. Panrosa Enterprises, Inc., et al.*, Case No. CVRI2100391 (the "Action"), subject to the terms and conditions herein and the approval of the Court pursuant to the California Rules of Court. Capitalized terms used herein shall have the meanings set forth in Section 1 or as defined elsewhere in this Joint Stipulation of Class Action Settlement ("Stipulation").

The Parties agree that the Action shall be, and hereby are, ended, settled, resolved, and concluded by agreement of Defendant to pay the settlement amount of Seven Hundred Twenty Five Thousand Dollars (\$725,000) as provided in Section 1.21 below ("Maximum Settlement Amount" or "Gross Settlement Amount") pursuant to the terms and conditions of this Stipulation and for the consideration set forth herein, including but not limited to, a release of claims by Plaintiffs and the Participating Class Members as set forth herein.

The Parties expressly acknowledge that this Stipulation is entered into solely for the purpose of compromising significantly disputed claims and that nothing in this Stipulation is an admission of liability or wrongdoing by Defendant. If for any reason the Stipulation is not approved, it will be of no force or effect, and the Parties will be returned to their respective positions immediately prior to and as if they had never executed this Stipulation as more fully set forth below.

1. DEFINITIONS

1.1 "Action" means the civil Action entitled, *Fang Zhang, et al. vs. Panrosa Enterprises, Inc., et al.*, Case No. CVRI2100391, pending in the Superior Court of California, County of Riverside.

1.2 "Stipulation" or "Settlement" means the terms and conditions set forth in this Joint Stipulation of Class Action and PAGA Representative Action Settlement and Release, including the disposition of the Released Claims, as defined herein.

1.3 "Class" or "Class Member(s)" or "Settlement Class" means all individuals whose wages were reported on an IRS Form 1099, and who worked for Defendant in California as

production workers or packers from January 27, 2017, through November 1, 2021 or preliminary approval, whichever is later.

1.4 “Class Counsel” means the attorneys for the Class and the Class Members, who are Ackermann & Tilajef, P.C., 1180 South Beverly Drive, Suite 610, Los Angeles, California 90035; and Employment Rights Law Group, APC, 1180 South Beverly Drive, Suite 610, Los Angeles, California 90035.

1.5 “Class Counsel’s Fees and Costs” means the attorneys’ fees and costs incurred and to be incurred by Class Counsel in the Action.

1.6 “Class Notice” means the Court-approved Notice of Proposed Settlement of Class Action Lawsuit and Final Approval Hearing, substantially in the form attached hereto as **Exhibit A** and incorporated by reference herein, which, which will notify Class Members of, among other things, the following: the conditional certification of the Class for settlement purposes, Preliminary Approval of the Settlement, the basic terms of the Settlement, the calculation of Individual Settlement Payments, the procedures for disputing and objecting to the Settlement, and requesting exclusion from the Settlement, and the scheduling of the Final Approval Hearing. Following the Court’s Preliminary Approval of the Settlement, the Settlement Administrator shall mail the Class Notice to all Class Members.

1.7 “Class Period” means January 27, 2017 to through and including the date of Preliminary Approval of this Settlement or November 1, 2021, whichever is later.

1.8 “Class Representatives” or “Plaintiffs” means Fang Zhang and Ying Cao, on behalf of themselves and a class of others similarly situated.

1.9 “Class Representative Service Awards” means the sums to be paid to Plaintiffs Fang Zhang and Ying Cao, on behalf of themselves and a class of others similarly situated in recognition for their efforts in obtaining the benefits of this Settlement. The Service Awards shall not exceed \$20,000 to Plaintiff Fang Zhang and \$20,000 to Plaintiff Ying Cao and will be paid in addition to the Individual Settlement Payments that the Plaintiffs are entitled to as Class Member.

1.10 “Complaint” means the Complaint filed on January 27, 2021 and the forthcoming First Amended Complaint.

1.11 “Court” means the Superior Court of California, County of Riverside, Honorable James T. Latting, presiding.

1.12 “Defendant” means Panrosa Enterprises, Inc.

1.13 “Defendant’s Counsel” means Bradley & Gmelich LLP, 700 North Brand Boulevard, 10th Floor, Glendale, California 91203.

1.14 “Effective Date” means the date of the Final Approval, if there are no objections to this Stipulation. If there is any objection to this Stipulation, “Effective Date” means the date on which the Court’s order granting Final Approval is no longer appealable or the final resolution of any appeal in any favor of approving the settlement. Thus, this date is the later of the following: (1) the date the Final Approval is entered by the Court if no objections are filed to the settlement, or if any objections are withdrawn prior to Final Approval; (2) if objections are filed and overruled, and no appeal is taken of the final approval order, sixty-five (65) days after the Final Approval is entered by the Court; or (3) if an appeal is taken from the Court’s overruling of objections to the settlement, ten (10) days after the appeal is withdrawn or after an appellate decision affirming the final approval decision becomes final.

1.15 “Exclusion Form” means the Court-approved Request for Exclusion Form, substantially in the form attached hereto as **Exhibit B** and incorporated by reference herein.

1.16 “Final Approval” means the final formal court order signed by the Court following the Final Fairness and Approval Hearing in accordance with the terms herein, approving this Stipulation.

1.17 “Final Approval Date” means the date upon which the Court enters Final Approval, after having determined that the Settlement is fair, adequate, and reasonable to the Class as a whole, following: (i) distribution of the Notice Packets to the Class; (ii) an opportunity for Class Members to review the Notice Packets and submit timely objections to the Settlement; and (iii) the Final Approval Hearing.

1.18 “Final Approval Hearing” means the hearing set by the Court to: (a) determine whether the Court should give Final Approval to this Settlement; (b) consider any objections made; (c) consider the request for attorney’s fees and costs submitted by Class Counsel; (d) consider the Settlement Administration Costs; (e) consider the PAGA Payment to the State of California Labor and Workforce Development Agency (“LWDA”); and (f) consider the request for the Class Representative Service Awards to Plaintiff.

1.19 “Individual Settlement Payment(s)” means the portion of the Net Settlement Amount that each Participating Class Member shall be entitled to receive pursuant to this Settlement. Of the amounts paid to Participating Class Members, 15% shall be allocated to wages and 85% shall be allocated to interest and penalties.

1.20 “Information Sheet” means the Court-approved Class Member Information Sheet, substantially in the form attached hereto as **Exhibit C** and incorporated by reference herein.

1.21 “Maximum Settlement Amount” or “Gross Settlement Amount” means the maximum gross settlement sum of Seven Hundred Thousand Twenty-Five Thousand Dollars (\$725,000.00) that Defendant shall be required to pay pursuant to this Settlement on a non-reversionary basis. The Maximum Settlement Amount includes: (1) all Individual Settlement Payments to Participating Class Members; (2) the Class Representative Service Awards; (3) Class Counsel’s fees and costs; (4) all Settlement Administration Costs; and (5) the PAGA Payment. The Maximum Settlement Amount does not include Defendant’s share of all state and federal payroll taxes and withholdings such as FICA, FUTA, UI, ETT, and SDI (“Payroll Taxes”) on Individual Settlement Payments made pursuant to this Stipulation, which will be paid separate and apart from, and in addition to the Maximum Settlement Amount. The Maximum Settlement Amount shall be paid as follows:

1. Defendant will fund an initial installment payment of 50% of the Maximum Settlement Amount fourteen (14) days after Preliminary Approval;
2. Defendant will fund the remaining 50% of the Maximum Settlement Amount six (6) months after the initial installment payment.

1.22 “Net Settlement Amount” means the portion of the Maximum Settlement Amount available for distribution to Participating Class Members after deduction of the Court-approved attorney’s fees and costs to Class Counsel, Settlement Administration Costs, the Class Representative Service Awards, and the PAGA payment.

1.23 “Non-Participating Class Member” means a Class Member who submits a timely and valid written Request for Exclusion. Even these individuals shall receive their pro rata share of the PAGA payment.

1.24 “Notice Packet” means the Court-approved Class Notice, Exclusion Form, Information Sheet, and Objection Form.

1.25 “Objection Form” means the Court-approved Objection Form, substantially in the form attached hereto as **Exhibit D** and incorporated by reference herein.

1.26 “Request for Exclusion Deadline” means the date sixty (60) calendar days after the Settlement Administrator first mails the Class Notice to Class Members, by which date Class Members who wish to exclude themselves from the Settlement must submit a timely and valid written Request for Exclusion. The timeliness of a Class Member’s Request for Exclusion shall

be determined based on the postmarked date of mailing.

1.27 “PAGA Members” means all individuals whose wages were reported on an IRS Form 1099, and who worked for Defendant in California as production workers or packers during the PAGA Period.

1.28 “PAGA Payment” means the sum of Sixty Thousand Dollars (\$60,000), which shall be allocated from the Maximum Settlement Amount to pay all applicable penalties under PAGA, seventy-five percent (75%) of which will be paid to the LWDA, with the remaining twenty-five (25%) to be distributed to PAGA Members and categorized as penalties.

1.29 “PAGA Period” means October 28, 2019 to through and including the date of Preliminary Approval of this Settlement or November 1, 2021, whichever is later.

1.30 “Participating Class Member” means a Class Member who does not submit a timely and valid Request for Exclusion and is entitled to receive his or her Individual Settlement Payment pursuant to the terms of the Settlement.

1.31 “Parties” means Plaintiffs and Defendant and their respective counsel of record.

1.32 “Parties’ Counsel” means Class Counsel and Defendant’ Counsel.

1.33 “Preliminary Approval” means the entry of an order by the Court preliminarily approving the Settlement.

1.34 “Qualified Settlement Fund” or “QSF” means the account set up by the Settlement Administrator and from which the Individual Settlement Payments to Participating Class Members shall be made. The QSF shall be an interest-bearing account within the meaning of Section 468B of the Internal Revenue Code of 1986, as amended, and Treas. Reg. Section 1.468B-1, *et seq.*, at a federally-insured bank that is mutually acceptable to the Parties and the Settlement Administrator. The Settlement Administrator shall serve as a Trustee of the QSF and shall act as a fiduciary with handling of all tax-related issues, reporting and payments. The Settlement Administrator shall act in a manner necessary to qualify and maintain the QSF as a Qualified Settlement Fund and the Parties shall cooperate to ensure such treatment and shall not take a position in any filing or before any tax authority inconsistent with such treatment. The Parties agree that the QSF shall be a non-reversionary fund and that under no circumstance will there be any reversion to Defendant of any of the funds from the QSF or the Maximum Settlement Amount.

1.35 “Qualifying Workweek” means any week in which a Participating Class Member

actively worked at least one day of the week (i.e., was not on vacation or a leave of absence) as an individual whose wages were reported on an IRS Form 1099, and who worked for Defendant in California as production workers or packers during the Class Period, according to Defendant's records. Workweeks of Non-Participating Class Members will not be included in the total number of workweeks for purposes of calculating and distributing the Individual Settlement Payments to Participating Class Members. Workweeks of non-participating class members during the PAGA period will, however, be included in calculating the pro rata distribution of the 25% of the PAGA payment payable to PAGA Members.

1.36 "Released Claims" means those claims alleged in the operative PAGA letter, pending Complaint and forthcoming First Amended Complaint, or that reasonably could have been alleged based on the facts and claims asserted in the PAGA letter and/or Complaint and/or First Amended Complaint, and arising during the Class Release Period, including claims under Labor Code sections 226.8, 2775, 204, 210, 226(a), 226(e), 226.3, 226.7, 227.3, 201-203, 510, Section 12 of the applicable IWC Wage Order, as well as any civil penalty claims predicated on the claims alleged in Plaintiff's PAGA letter and/or Complaint and/or First Amended Complaint under PAGA and arising during the Class and/or PAGA Period.

1.37 "Released Parties" means Defendant Panrosa Enterprises, Inc. and their respective present and former parents, owners, successors, subsidiaries and any affiliated or related persons or entities and each of their respective officers, directors, employees, partners, shareholders, attorneys and agents and any other successors, assigns or legal representatives from the factual allegations pleaded or claims that could have been brought based on the same facts in Plaintiffs' operative Complaints.

1.38 "Request for Exclusion" means a written request to be excluded from the Settlement submitted by a Class Member to the Settlement Administrator and postmarked by the Request for Exclusion Deadline. In the event more than 5% of Class Members opt out of the settlement, Defendant shall have the right to void the settlement. Neither party nor their counsel shall encourage any class member to opt out of the settlement.

1.39 "Settlement Class" All individuals whose wages were reported on an IRS Form 1099, and who worked for Defendant Panrosa Enterprises, Inc. in California as production workers or packers during the Class Period.

1.40 "Settlement Administrator" means the third-party entity selected by the Plaintiff and approved by the Court to mail the Class Notice to Class Members and perform all duties relating to the administration of the Settlement.

1.41 "Settlement Administration Costs" means the actual and direct fees and expenses

reasonably incurred by the Settlement Administrator in administering the Settlement. Settlement Administration Costs will include, but are not limited to, fees and costs payable to the Settlement Administrator for printing, distributing (including with appropriate postage), and tracking documents for this Settlement, any searches to locate any Class Members, calculating estimated amounts per Class Member, tax reporting, distributing the Individual Settlement Payments, Class Representative Service Awards, Class Counsel Fees and Costs, payment to LWDA, and providing necessary certification of completion of notice, reports and declarations, establishing and administering a QSF account, required tax reporting and withholding on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS forms, as well as determining the validity of any disputes (and communicating the determination of those disputes to the disputing class member, Class Counsel and Defendant' Counsel) and opt-outs, calculating all amounts to be paid from the Maximum Settlement Amount, and such other responsibilities and duties as reasonably and customarily performed by third-party settlement administrators or as requested by the Parties.

1.42 "Waiting Time Penalties Subclass" means all members of the Settlement Class who separated from their employment with Defendant at any time between January 27, 2018 through the date of Preliminary Approval of the Settlement.

2. PROCEDURAL HISTORY

2.1 Plaintiffs Fang Zhang and Ying Cao, on behalf of themselves and a class of others similarly situated are individuals whose wages were reported on an IRS Form 1099 and worked for Defendant Panrosa Enterprises, Inc.'s as production workers or packers.

2.2 On January 27, 2021, Plaintiff Fang Zhang, on behalf of herself and a class of others similarly situated, filed a Class Action Complaint in the Superior Court for the County of Riverside alleging class claims and representative claims under the Private Attorneys General Act of 2004, California Labor Code section 2698 *et seq.* (PAGA), including Intentional Misclassification of Employees (Violation of Labor Code Section 226.8); Failure to Pay Minimum Wage; Failure to Pay for Overtime; Compensation for Required Meal Periods Not Provided; Compensation for Required Rest Periods Not Provided; Failure to Furnish Timely and Accurate Wage Statement; Failure to Reimburse Expenses Pursuant to Labor Code Section 2802; Waiting Time Penalties; Violation of Business and Professions Code Section 17200, *et seq.*; and Penalties Pursuant to Labor Code Section 2699.3, *et seq.* (PAGA).

2.3 Plaintiffs will file a First Amended Complaint that will assert, for a class of production workers and packers who worked during the class period, class and PAGA claims for alleged violations of Labor Code sections 226.8, 227, 2775, 2698, 227.3, 510, 226, 226.3, 226.7, 203, 204, 210, 246 and derivative claims for penalties under Labor Code section 2699 *et seq.*, as

well as unfair competition claims based on the foregoing under Business and Professions Code section 17200 *et seq.* The First Amended Complaint will also include Ying Cao as a named class representative.

2.4 The Riverside County Superior Court issued an Order deeming the case complex and staying discovery. Soon after, the Parties agreed to participate in private mediation, exchange informal discovery, and continue the stay pending mediation.

2.5 On September 2, 2021, the Parties participated in a full-day mediation before experienced mediator Lynn Frank. During mediation, the Parties engaged in good-faith, arm's length negotiations and the Parties agreed to the terms of a settlement on or around September 2, 2021.

3. THE PARTIES' POSITION IN THE ACTION

3.1 Defendant denies any liability and wrongdoing of any kind associated with the claims alleged in the Action, and further deny that the Action is appropriate for class action or PAGA representative action treatment for any purpose other than this Settlement. Defendant in no way admits any violation of law or any liability whatsoever to Plaintiffs and/or the Class Members, or "aggrieved" employees, individually or collectively; all such liability being expressly denied. Defendant contends that it complied with the California Labor Code, the IWC Wage Orders and the California Business and Professions Code at all times.

3.2 This Stipulation shall not be admissible or used for any purpose in any other action or proceeding to establish or infer liability or wrongdoing on the part of Defendant. Whether or not the Effective Date occurs, neither this Stipulation nor any of its terms nor the Settlement itself will be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendant or any other of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, joint employment, or damage; or (b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further proceeding in the Action, except for the purposes of effectuating the Settlement pursuant to this Stipulation or for Defendant to establish that a Class Member has resolved any of their claims released through this Stipulation.

3.3 Plaintiffs believe that the Action is meritorious and that Class Certification is appropriate.

3.4 The Parties engaged in substantial investigation and thoroughly researched the relevant law for each of the causes of action alleged, and the defenses thereto. The Parties

interviewed Class Members, conducted a comprehensive investigation into the facts of the case, and reviewed and analyzed all applicable policies and practices, as well as the voluminous sample of time and pay records and other documents produced by Defendant.

3.5 Class Counsel weighed the monetary benefit of the Settlement to the Class against the expense and length of continued proceedings in the trial court and appellate courts that would be necessary to prosecute the Action fully against Defendant. Class Counsel also took into account Defendant's limited financial condition, the uncertain outcome and risk of any further litigation, especially in complex Action such as these. Based on the data reviewed and Class Counsel's thorough investigation and evaluation of all known facts and circumstances underlying each cause of action, including the possible risk of significant delay and uncertainty associated with litigation, and the various defenses asserted by Defendant, Class Counsel believes that the Settlement is fair, reasonable, and adequate and is in the best interest of all Class Members.

3.6 Defendant and its counsel have similarly concluded that it is desirable that the Action be settled in the manner and upon the terms and conditions set forth in this Stipulation in order to avoid further expense, inconvenience and distraction of further legal proceedings, as well as the uncertainty of the outcome of the Action. Therefore, Defendant has determined that it is desirable and beneficial to put to rest the claims in the Action and Defendant agree that the Settlement is fair, reasonable and adequate.

4. SETTLEMENT COMPONENTS

4.1 The Settlement shall have five components: (1) the Individual Settlement Payments; (2) the award of attorney's fees and costs to Class Counsel; (3) the Class Representative Service Awards; (4) the Settlement Administration Costs; and (5) the PAGA Payment. All of these components are included in and shall only be paid from the Maximum Settlement Amount.

(a) Payroll Taxes: The Maximum Settlement Amount does not include the Payroll Taxes, which shall be paid by Defendant separate and apart from the Maximum Settlement Amount. The Payroll Taxes will be computed by the Settlement Administrator based on the amounts paid to the Participating Class Members. The Settlement Administrator shall be responsible for making all necessary payments and government filings in connection with such payments.

4.2 In the event the number of Class Members increases by ten percent (10%) or more above the currently estimated 95 individuals, the Parties agree that the Maximum Settlement Amount shall be increased proportionately by the same percentage.

4.3 Calculation of Individual Settlement Payments. The Settlement Administrator shall have the authority and obligation to calculate the amounts of Individual Settlement Payments in accordance with the methodology set forth in this Stipulation and any Orders of the Court. After deducting: (i) the Court-approved Class Representative Service Awards to Plaintiffs; (ii) the Court-approved attorney's fees and costs to Class Counsel; (iii) the Settlement Administration Costs; and (iv) the PAGA Payment, each of which is detailed further in sections 4.3 through 4.8 below, the amount remaining in the Maximum Settlement Amount shall constitute the Net Settlement Amount, which the Settlement Administrator will distribute among Participating Class Members as follows:

- (a) The Parties agree that the Individual Settlement Payments will be calculated based on the number of Qualifying Workweeks worked by each Participating Class Member during the Class Period. Relying on the personnel records maintained by Defendant, the Settlement Administrator will calculate the number of Qualifying Workweeks each Participating Class Member worked during the Class Period.
- (b) **Distribution Formula.** Participating Class Members shall be allocated a pro-rata portion of the Net Settlement Amount available for distribution based upon their respective number of Qualifying Workweeks. Each Participating Class Member who is also a member of the Waiting Time Penalty Subclass will receive an allotment of six (6) additional Qualifying Workweeks. The total Qualifying Workweeks for all Participating Class Members, plus the additional Qualifying Workweeks allocated to the Participating Class Members who are also members of the Waiting Time Penalty Subclass, shall be divided into the Net Settlement Amount to calculate a Qualifying Workweek rate. Each Settlement Class Member will be paid the Qualifying Workweek rate for each of their Individual Qualifying Workweeks. Thus, the Individual Settlement Payments shall be calculated using the following formula: Individual Settlement Payments= Net Settlement Amount x (Participating Class Member's Qualifying Workweeks/Total Participating Class Members' Workweeks for All Participating Class Members).
- (c) Each member of the Waiting Time Penalties Subclass will be entitled to receive an allotment of six (6) additional workweeks as a waiting time penalty for calculation of their individual settlement payments only. The entire amount paid to the Waiting Time Penalty Subclass will be allocated as penalties. The six (6) additional workweeks paid to Waiting Time Penalty Subclass Members are not "Qualifying Workweeks" as defined in Paragraph 1.30 above and as such, will not be considered as additional workweeks attributable to the total workweeks estimated in the class period. The additional workweeks allocated by this

paragraph to a member of the Waiting Time Penalties Subclass for calculation of their individual settlement payments purposes only will under no circumstance cause the total Qualifying Workweeks to increase and thus, the Maximum Settlement Amount will not increase by the distribution of six (6) workweeks as contemplated by Paragraph 4.2 above.

- (d) The Parties agree that Class Members will not have to submit a claim form in order to receive their Individual Settlement Payment. Each Class Member who does not submit a Request for Exclusion will automatically be mailed checks for their Individual Settlement Payment. As is explained further in section 9 of this Stipulation, any checks that are uncashed after 180 calendar days will be sent to a *cy pres* to be agreed upon by the Parties pursuant to California Code of Civil Procedure 384, specifically to Riverside Legal Aid
- (e) Subject to approval by the Court, the settlement amounts distributed to participating Settlement Class members for their pro-rata portion of the Net Settlement Amount shall be allocated 15% to payment of wages and 85% to penalties and interest. The entire amount paid to the Waiting Time Penalty Subclass will be allocated as penalties. The portion allocated to wages shall be reported on an IRS Form W-2, and the portion allocated to interest and/or statutory penalties shall be reported on an IRS Form 1099. The amount allocated to payment of wages shall not include the amounts to be deducted for the employer share of payroll taxes. Defendant' share of payroll taxes on the 15% amount allocated to payment of wages shall be paid separate and apart from the Gross Settlement Amount. The taxes ordinarily paid by employers relating to the portion of the Individual Settlement Payments paid as wages will be paid by Defendant, separate from the Gross Settlement Amount.
- (f) It shall be the responsibility of the Settlement Administrator to timely and properly withhold from Individual Settlement Payments payable to Class Members all applicable payroll and employment taxes, including all federal, state, and local income taxes, and to prepare and deliver the necessary tax documentation and, thereafter, to cause the appropriate deposits of withholding taxes and informational and other tax return filing to occur.

4.4 Calculation of Individual PAGA Payments. The 25% of the PAGA Payment will be divided by the aggregate total number of weeks worked by all PAGA Members during the PAGA Period, resulting in a dollar value for each verified workweek. The Settlement Administrator then will multiply the workweek value by the number of weeks worked as a PAGA Member during the PAGA Period to determine the distribution, for the PAGA Member. Individual PAGA Payments will be treated as 100% penalties and interest and reported on an

IRS Form 1099 basis. All PAGA Members will be mailed their Individual PAGA Payment.

4.5 Class Counsel's Attorney's Fees and Costs. Class Counsel will request a payment in an amount not to exceed 33.33% of the Maximum Settlement Amount, or Two Hundred forty one Thousand Six Hundred sixty- six Dollars and sixty seven cents (\$241,666.66), to compensate Class Counsel for all of the work already performed in these Action and all work remaining to be performed, for which Plaintiffs or Class Counsel could claim under any legal theory whatsoever, including without limitation, documenting the Settlement, providing any notices required as part of the Settlement, securing Court and/or appellate court approval of the Settlement, ensuring that the Settlement is fairly administered and implemented, and obtaining Final Approval in accordance with the Settlement. The amount paid for Class Counsel's Fees and Costs shall constitute full satisfaction of any obligation to pay any amounts to any person, attorney or law firm for attorneys' fees, expenses or costs in the Action incurred by any attorney on behalf of Plaintiffs and Class Members, and shall relieve Released Parties of all claims or liability to any attorney or law firm for any attorneys' fees, expenses and/or costs that may be claimed on behalf of Plaintiffs and/or the Class Members. If the amount awarded to Class Counsel for attorney's fees is less than the amount sought, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members. Class Counsel will request reimbursement for actual reasonable litigation costs and expenses incurred in prosecuting the Action and implementing the terms of the Settlement, in an amount not to exceed Twenty Thousand Dollars (\$20,000), which shall be paid from the Maximum Settlement Amount. The Parties agree that Settlement of these Action is not conditioned upon the Court approving the amount of Class Counsel's Fees and Costs requested by Class Counsel and that if the amount awarded to Class Counsel for reimbursement of litigation costs is less than the amount sought, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members. Defendant agrees not object to Class Counsel's request for fees and costs as long as the request is consistent with the terms of this Stipulation. The amount paid for Class Counsel's Fees and Costs will be reported by IRS Form 1099 and will be provided to Class Counsel and the pertinent taxing authorities, as required by law.

4.6 Class Representative Service Awards and Release. Subject to Court approval and the execution of a general release in favor of the Released Parties, Defendant agrees to pay each Plaintiff a Class Representative Service Award in the amount not to exceed Twenty Thousand Dollars (\$20,000) for Plaintiff Fang Zhang and Twenty Thousand Dollars (\$20,000) for Plaintiff Ying Cao, to be paid from the Maximum Settlement Amount, in addition to their Individual Settlement Payment. If the Court approves Class Representative Service Awards to Plaintiff that are less than the amount sought, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members.

(a) The Parties intend this payment to constitute a service payment in consideration

for Plaintiffs' litigation efforts, and the work and time Plaintiffs put into these Action as Class Representatives.

- (b) The Class Representative Service Awards are also provided in consideration for Plaintiffs' willingness to provide a full and separate general release on their own behalf and on behalf of their heirs, spouses, executors, administrators, attorneys, agents and assigns of any and all claims against the Released Parties regardless of whether such claims have been alleged against Defendant, including any and all known or unknown claims, demands, rights, liabilities, causes of action, losses, debts, and expenses whether for wages, economic damages, non-economic damages, punitive damages, restitution, tort, contract, penalties, injunctive or declaratory relief, attorney's fees, costs, or other monies or remedies. These releases by Plaintiff include all federal and state statutory claims, and federal and state common law claims (including but not limited to those for contract, tort, and equity), as well as, *inter alia*, the Americans with Disabilities Act, Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964 (as amended), 42 U.S.C. §1981, 42 U.S.C. § 1983, the Fair Labor Standards Act, the Employee Retirement Security Income Act of 1974, the California Constitution, the California Fair Employment and Housing Act, the California Unfair Competition Act (California Business and Professions Code section 17200, *et seq.*), the California Labor Code, the Fair Labor Standards Act, and claims for additional compensation relating to stock options.
- (c) Furthermore, through the general release, the Class Representatives themselves (and not on behalf of the Class or any other Class Members) shall release, acquit and discharge the Released Parties from any and all claims against the Released Parties of any kind whatsoever (upon any legal or equitable theory whether contractual, common law, constitutional, statutory, federal, state, local or otherwise), whether known or unknown, that arose, accrued or took place at any time on or prior to the date on which the full and general release is executed. Through the full and general release discussed in this Section, the Class Representatives will expressly waive the benefit of Section 1542 of the California Civil Code and acknowledges the language of Section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

- (d) Because the Class Representative Service Awards represent payment to the Class Representatives for services to the Class and not wages, taxes will not be withheld from the Class Representative Service Awards. No Party has made any representation to Plaintiff regarding the taxability of any Class Representative Service Award. The Settlement Administrator will report the Class Representative Service Awards on a 1099 form, which it will provide to the Class Representatives and the pertinent taxing authorities, as required by law.
- (e) The Class Representatives assume full responsibility for paying all federal and state taxes and penalties, if any, due as a result of their receipt of the Class Representative Service Awards.
- (f) The Class Representatives fully support the Settlement and believe the Settlement is fair, reasonable and adequate and in the best interest of the Class Members.

4.7 Payment to the Labor and Workforce Development Agency. Subject to Court approval, sixty thousand (\$60,000) will be allocated to cover any and all claims for civil penalties associated with the Released Claims that were, or could have been, brought in the Action under PAGA, 75% of which (\$45,000) will be paid directly to the LWDA and the remaining 25% (\$15,000) will be distributed to PAGA Members as penalties in exchange for a full and final release of PAGA claims.

4.8 Release of PAGA Claims. After Defendant remits the full Gross Settlement Amount to the Settlement Administrator, the State of California, by and through its deputized PAGA representative, shall be deemed to have released its PAGA Claims against the Released Parties. Plaintiffs and all other Class Members will be deemed to have settled and released all Released Claims against Released Parties that arise under PAGA, and the State of California will be deemed to have settled and released all Released Claims against Released Parties that arise under PAGA. Neither the Settlement Administrator's distribution of Individual PAGA Payment checks to, nor the use or enjoyment of any Individual PAGA Payment by Class Members, Participating Class Members, or PAGA Members shall constitute consideration offered or exchanged for the release of any Class Member, Participating Class Member, or PAGA Member's individual, private rights of action against any person.

4.9 Settlement Administration Cost: The reasonable costs incurred by the Settlement Administrator in administering the settlement, as approved by the Court, shall be deducted from the Maximum Settlement Amount and are currently estimated not to exceed \$11,000.

- (a) This administration includes but is not limited to generation of Individual Settlement Payment checks and related tax reporting forms, checking addresses against the

National Change of Address database, skip-tracing class members as necessary and as described herein, administration of uncashed checks, generation of checks to Class Counsel for attorneys' fees and costs and to Plaintiffs for their Incentive Payments, resolution of disputes concerning weeks worked, and such other duties as may be required for the administration of the Settlement. The Settlement Administrator shall expressly agree to all of the terms and conditions of this Stipulation.

(b) All costs of administering the Settlement, including but not limited to all costs and fees associated with preparing, issuing and mailing any and all Notice Packets to Class Members and/or Participating Class Members, all costs and fees associated with computing, processing, reviewing, and mailing the Individual Settlement Payments, all costs and fees associated with running addresses against the National Change of Address directory and skip-tracing Class Members, all costs and fees associated with preparing any tax returns and any other filings required by any governmental taxing authority or agency, all costs and fees associated with preparing any other checks, notices, reports, or filings to be prepared in the course of administering disbursements from the Net Settlement Amount, resolution of disputes concerning weeks worked, and any other costs and fees incurred and/or charged by the Settlement Administrator in connection with the execution of its duties under this Stipulation ("Settlement Administration Costs"), shall be paid to the Settlement Administrator from the Gross Settlement Amount.

5. SETTLEMENT APPROVAL PROCEDURE

5.1 Solely for purposes of settling these Action, the Parties stipulate and agree that the prerequisites for establishing class certification with respect to the Class have been met.

5.2 The Parties hereby agree that the formula for allocating the Individual Settlement Payments to Class Members under the terms of this Settlement is reasonable and that the payments provided are designed to provide a fair settlement to Participating Class Members. Based on their own independent investigation and evaluation, and in light of all known facts and circumstances, the Parties and their respective counsel believe that the Settlement is fair, reasonable, and adequate.

5.3 The Parties and their counsel agree to the conditional certification of the Class for the sole purpose of effectuating this Settlement. Should, for whatever reason, the Settlement not become final, the fact that the Parties were willing to stipulate to class certification as part of the Settlement shall have no bearing on, and shall not be admissible in, these Action or any other legal proceeding in any jurisdiction. As is discussed elsewhere in this Stipulation, Defendant expressly reserve the right to oppose class certification in these Action should the Settlement not become final.

5.4 The Parties agree to fully cooperate with each other to accomplish the terms of this Stipulation, including but not limited to, execution of such documents and to take such other Action as may reasonably be necessary to implement the terms of this Stipulation.

5.5 Class Counsel shall seek Preliminary Approval of the Settlement. In conjunction with such hearing, Class Counsel shall submit this Joint Stipulation of Settlement, together with the exhibits attached hereto, and any other documents necessary to implement the Settlement.

5.6 Defendant agrees not to oppose Plaintiffs' Motion for Preliminary Approval unless the motion is inconsistent with the terms set forth in this Settlement.

5.7 On the date set forth in the Preliminary Approval Order, a Final Fairness and Approval Hearing shall be held before the Court in order to (1) review this Stipulation and determine whether the Court should give it final approval, and (2) consider any timely objections made pursuant to Section 3.04(c) above and all responses by the Parties to such objections. At the Final Fairness and Approval Hearing, the Parties shall ask the Court to give final approval to this Stipulation and shall submit to the Court a Proposed Final Order Approving Settlement of Class Action.

5.8 If, after a notice of appeal or a petition for a writ of *certiorari* or any other motion, petition, or application, the reviewing court vacates, reverses, or modifies the Final Order such that there is a material modification to the Settlement, and that court's decision is not completely reversed and the Final Order is not fully affirmed on review by a higher court, then Plaintiff and Defendant will each have the right to void the Settlement, which the Parties must do by giving written notice to the other Parties, the reviewing court, and the Court not later than fourteen (14) days after the reviewing court's decision vacating, reversing, or materially modifying the Final Order becomes final. A vacation, reversal, or modification of the Court's award of an Incentive Payment or Class Counsel's fees or costs will not constitute a vacation, reversal, or material modification of the Final Order within the meaning of this paragraph, provided that Defendant's obligation to make payments remains limited as set forth in this Stipulation.

6. NOTICE TO THE CLASS

6.1 Within ten (10) business days following the Court's entry of its Order Granting Preliminary Approval of Settlement Defendant shall provide the Settlement Administrator with a list containing the names, last known addresses, last known telephone numbers, social security numbers of all Class Members, the dates of employment of each Class Member during the Class Period, the last date of employment for each Class Member and all other information necessary for the Settlement Administrator to calculate the number of Qualifying Workweeks worked by

each Class Member during the Class Period and PAGA Period, if any, which includes any weeks a Participating Class Member worked at least one day of the week and as not on vacation or a leave of absence, and to determine which Class Member is also a member of the Waiting Time Penalty Subclass (the "Class Data").

6.2 Defendant's Counsel shall consult with the Settlement Administrator prior to the production date to ensure that the format of the database will be acceptable to the Settlement Administrator. The Settlement Administrator shall not share the information in the Class Data, including the identity of Class Members with the Class Representatives or Class Counsel, except as otherwise provided herein.

6.3 Prior to mailing the Notice Packets to Class Members, the Settlement Administrator shall perform a National Change of Address (NCOA) search and an Accurant (or substantially similar) in-depth skip trace in order to obtain the best possible address for Class Members.

6.4 Within fifteen (15) calendar days after receipt of the Class Data from Defendant, the Settlement Administrator shall mail the Court-Approved Notice Packets to all Class Members by first-class U.S. mail.

6.5 The Notice Packet will include an estimated calculation of the Class Member's estimated share of the Net Settlement Amount, and their estimated PAGA payment, if any.

6.6 The Notice Packet shall provide that Class Members who wish to exclude themselves from the Settlement must submit a Request for Exclusion Form to the Settlement Administrator postmarked by the Request for Exclusion Deadline – sixty (60) calendar days following the initial mailing of the Class Notice. Any Class Member who properly requests exclusion will not receive an Individual Settlement Payment and will not be bound by this Settlement or have any right to object, appeal, or comment thereon. Class Members who do not submit a valid and timely Request for Exclusion shall be bound by the terms of the Settlement and any judgment entered in the Action once the Settlement receives Final Approval. The Notice Packet will provide this information to Class Members.

6.7 The Notice Packet shall provide that Class Members who wish to object to the Settlement may mail a copy of their Objection Form to the Settlement Administrator postmarked no later than the Request for Exclusion Deadline. The Notice Packet will also provide that Class Members may also appear at the Final Fairness and Approval Hearing and make an oral objection without making a written objection. Class Members who fail to object in the manner specified in this Stipulation of Settlement will be deemed to have waived all objections to the Settlement and will be foreclosed from making any objections, whether by appeal or otherwise,

to the Settlement.

6.8 There shall be no right to opt out of, or object to, the PAGA portion of the settlement.

6.9 If a Notice Packet is returned as undeliverable with a forwarding address provided by the United States Postal Service on or by the Request for Exclusion Deadline, the Settlement Administrator will promptly resend the Notice Packet to that forwarding address along with a brief letter stating that the recipient of the Notice Packet has until the original deadline set forth on the Notice Packet, or ten (10) calendar days after the date of re-mailing of the Notice Packet (whichever is later) to submit a Request for Exclusion Form. If any Notice Packet is returned from any mailing and/or re-mailed, the Settlement Administrator will note for its own records and notify the Parties' Counsel of the date of such re-mailings as part of a weekly status report provided to the Parties.

6.10 If a Notice Packet is returned as undeliverable without a forwarding address from its first mailing, the Settlement Administrator shall undertake reasonable efforts to locate a current address, including performing an Experian (or substantially similar) in-depth skip trace or mass search on LexisNexis databases based on set criteria. If the Settlement Administrator obtains a more current address, the Settlement Administrator shall resend the Notice Packet to that address along with a brief letter stating that the recipient of the Notice Packet has until the original deadline set forth on the Notice Packet or ten (10) calendar days after the date of re-mailing of the Notice Packet (whichever is later) to submit a Request for Exclusion.

6.11 The Settlement Administrator shall provide the Parties' Counsel with a weekly report showing: (1) the number of Notice Packets mailed to Class Members; (2) the number of Notice Packets returned as undeliverable; (3) the number of re-mailed Notice Packets; (4) the number of Class Members who have submitted Requests for Exclusion; (5) the number of Class Members who have submitted objections; and (6) the number of Class Members who have disputed the number of Qualifying Workweeks being credited to that Class Member. Additionally, the Settlement Administrator shall provide to the Parties' Counsel any updated reports regarding the administration of the Settlement as needed or requested.

6.12 At least twenty five (25) calendar days prior to the Final Approval Hearing, the Settlement Administrator will provide a declaration specifying the due diligence the Settlement Administrator has undertaken with regard to the mailing of the Notice Packet, including any attempts to obtain valid mailing addresses for and re-mailing of any returned Notice Packet; verifying its Settlement Administration Costs; and reporting on the number of objections and exclusions submitted by Class Members, as well as any disputes (and explain the status of the disputes).

7. RESPONSES TO NOTICE

7.1 Resolution of Dispute. If a Class Member who receives the Notice Packet wishes to dispute the number of his or her Qualifying Workweeks represented therein, the Class Member must notify the Settlement Administrator no later than the Request for Exclusion Deadline. The Class Member must produce any available supporting evidence to the Settlement Administrator regarding the correct number of Qualifying Workweeks that the Class Member contends he or she worked for Defendant during the Class Period, as explained in the Notice Packet and Information Sheet. The Settlement Administrator will notify the Parties' Counsel of any disputes via email. Defendant shall review its records and provide information to the Settlement Administrator in response to any such disputes. Defendant's records shall be presumed to be determinative, but the Settlement Administrator shall evaluate the evidence submitted by the Class Member and make the decision as to which dates should be applied. The determination by the Settlement Administrator shall be final and binding.

7.2 Requests for Exclusion from Class. In order for any other Class Member to validly exclude himself or herself from the Class and this Settlement (*i.e.*, to validly opt out), the Class Member or his or her authorized representative must send a Request for Exclusion Form to the Settlement Administrator, postmarked or faxed by no later than sixty (60) calendar days after the date the Settlement Administrator initially mails the Notice Packet to the Class Members or ten (10) calendar days after the Settlement Administrator re-mails the Notice Packet to the Class Member, whichever is later. The date of the initial mailing of the Notice Packet was postmarked or faxed, shall be conclusively determined according to the records of the Settlement Administrator. Any Class Member who timely and validly submits a Request for Exclusion will not be entitled to any Individual Settlement Payment, will not be bound by the terms and conditions of this Stipulation, and will not have any right to object to the Settlement or appeal the Court's Orders in this case.

7.3 Any Class Member who fails to timely submit a valid Request for Exclusion shall be deemed a Class Member whose rights and claims with respect to the issues raised in the Action are determined by the Court's Final Order Approving Settlement of Class Action, and by the other rulings in the Action. Thus, said Class Member's rights to pursue any claims released in this Stipulation will be extinguished.

7.4 The Settlement Administrator will provide the Parties with the number of valid and timely Request for Exclusion letters received within seven (7) calendar days after the Objection/Exclusion Deadline.

7.5 Objections to Settlement. In order for any other Class Member to object to this Stipulation, or any term of it, the person making the objection must not submit a timely request

for exclusion (*i.e.*, must not opt out), and may send to the Settlement Administrator, postmarked or faxed no later than the Request for Exclusion Deadline, a completed and signed objection, along with any supporting papers. The Settlement Administrator shall send any objections it receives to Defense Counsel and Class Counsel within three (3) calendar days of receipt. Alternatively, Class Members may also appear at the Final Fairness and Approval Hearing and make an oral objection without making a written objection. The Court retains final authority with respect to the consideration and admissibility of any Class Member objections.

7.6 Encouragement of Class Members. The Parties to this Stipulation and the counsel representing such Parties shall not, directly or indirectly, through any person, encourage or solicit any Class Member to exclude himself or herself from this Settlement (opt out) or to object to it. However, Class Counsel, Defense Counsel, and Defendant may respond to inquiries from Class Members with truthful information and nothing that discourages participation.

8. SETTLEMENT FUNDING AND DISTRIBUTION SCHEDULE

8.1 Settlement Funding Date: Defendant shall deposit 50% (\$362,500.00) of the Maximum Settlement Amount in a QSF set up by the settlement administrator within 14 calendar days after Preliminary Approval. Thereafter, Defendant shall deposit the remaining 50% (\$362,500.00) plus employer-side taxes six months (180 days) after the initial deposit into the Qualified Settlement Fund set up by the Settlement Administrator;

8.2 If any payment is not made by Defendant, there will be a 7-day grace period to cure after written notice is given by Plaintiffs to Defendant's Counsel.

8.3 Disbursement Date: No later than fourteen (14) calendar days after Final Approval, the Settlement Administrator shall disburse: (a) Individual Settlement Payments to Participating Class Members; (b) the Class Representative Service Awards; (c) the portion of the PAGA Payment to be made to the LWDA; (d) the portion of the PAGA Payment to be made to the PAGA Members; (e) the Settlement Administrator's Costs; (f) Class Counsel's attorney's fees and costs, all as previously approved by the Court; and (g) employer side payroll taxes.

8.4 Within 250 calendar days of the Effective Date of the Settlement, the Settlement Administrator shall provide written certification of such completion to the Court, Class Counsel and Defendant' Counsel. Class Counsel shall file that written certification with the Court.

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1.1 The following is a summary of the proposed timeline related to this Settlement:

EVENT	DEADLINE
Preliminary Approval of the Settlement by the Court	December 14, 2021
Defendant to provide Settlement Administrator with the list of Class Members and all required Class Members' Data	10 business days after entry of the order granting Preliminary Approval
Settlement Administrator to mail Notice Packets to Class Members	15 calendar days after receiving the Class Data
Exclusion Deadline	60 calendar days after mailing of Notice Packets
Settlement Administrator to provide the parties notice of the valid request of exclusion letters received	7 calendar days after the Request for Exclusion Deadline
Deadline for Defendant to exercise its option to cancel the settlement if 5% or more of the Class Members submit a timely and valid request for exclusion	Within 10 calendar days of Request for Exclusion Deadline
Settlement Administrator to provide declaration of due diligence	25 calendar days prior to Final Approval Hearing
Final Approval Hearing	TBD
Effective Date of the Settlement	(1) The date the Final Approval is entered by the Court if no objections are filed to the settlement, or if any objections are withdrawn prior to Final Approval; (2) If objections are filed and overruled, and no appeal is taken of the final approval order, sixty-five (65) days after the Final Approval is entered by the Court; or (3) If an appeal is taken from the Court's overruling of objections to the settlement, ten (10) days after the appeal is withdrawn or after an appellate decision affirming the final approval decision becomes final
Funding Obligation Date	Defendant shall deposit \$362,500 within 14 calendar days after Preliminary Approval. Thereafter, 6 months after the initial deposit, Defendant shall deposit the remaining \$362,500 plus employer-side taxes to the

	Qualified Settlement Fund set up by the Settlement Administrator.
Settlement Administrator to mail Individual Settlement Payments	14 calendar days after the Final Approval
Uncashed Checks to Cy Pres Recipient	180 calendar days after mailing of the Individual Settlement Payment Checks
Settlement Administrator to Provide Certificate of Completion of Settlement	250 calendar days After Effective Date of Settlement

9. DISPOSITION OF RETURNED AND UNCASHED CHECKS

9.1 This is a non-reversionary “all-in” settlement. No unclaimed amounts will revert to Defendant.

9.2 Returned Checks. If any Individual Settlement Payments are returned as undeliverable, the Settlement Administrator will take all steps necessary to locate an updated mailing address for the Class Member, including without limitation, using Experian (or substantially similar) in-depth skip-trace. In the event the Settlement Administrator is unable to locate an updated address or the Individual Settlement Payments are returned as undeliverable after a second mailing, the amount of any returned checks shall be sent to the California State Controller’s Unclaimed Property Fund.

9.3 Uncashed Checks. Any funds associated with checks that are not returned but remain uncashed one hundred and eighty (180) calendar days after mailing or re-mailing (pursuant to paragraph 9.2) shall be sent by the Settlement Administrator to Riverside Legal Aid. Participating Class Members who do not timely cash their Individual Settlement Payments shall be bound by all of the terms of the Settlement, including without limitation, the Released Claims set forth herein.

10. TAXATION AND WITHHOLDING

10.1 The Settlement Administrator will be responsible for issuing to the Class Representatives, Class Members, and Class Counsel any IRS Form W-2, IRS Form 1099, or any other tax forms as may be required by the Internal Revenue Code of 1986 (the “Code”) and this Settlement for all amounts paid pursuant to this Settlement. The Claims Administrator will also be responsible for forwarding all payroll taxes and other legally required withholdings to the appropriate government authorities to pay for the employer’s share of payroll taxes as set forth below. If the Code, the regulations promulgated thereunder, or other applicable tax law, is changed after the date of this Stipulation, the processes set forth in this section may be modified

in a manner to bring Defendant into compliance with any such changes.

10.2 Defendant' Counsel and Class Counsel make no warranty and have provided no advice regarding the tax treatment of Individual Settlement Payments to Participating Class Members pursuant to the terms of this Settlement. All taxes, other than the employer's share of payroll taxes, which are not a part of the Maximum Settlement Amount, are the sole responsibility of the Participating Class Member.

10.3 Circular 230 Disclaimer. Each party to this Stipulation (for purposes of this section, the "acknowledging party" and each party to this Stipulation other than the acknowledging party, an "other party") acknowledges and agrees that: (1) no provision of this Stipulation, and no written communication or disclosure between or among the parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of united states treasury department circular 230 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Stipulation, (b) has not entered into this Stipulation based upon the recommendation of any other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party; and (3) no attorney or adviser to any other party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Stipulation.

10.4 Individual Settlement Payments and/or PAGA payments paid to Participating Class Members or PAGA Members shall not be deemed pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any employee benefits (e.g., vacations, holiday pay, retirement plans, etc.). The Parties agree that Individual Settlement Payments to Participating Class Members do not represent any modification of Participating Class Members' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by the Released Parties. Any Individual Settlement Payments paid pursuant to this Settlement shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an employee pension benefit plan or employee welfare benefit plan sponsored by the Released Parties.

10.5 The Payroll Taxes and any other applicable employer withholdings or contributions will be computed by the Settlement Administrator based on the amounts paid to Participating Class Members. The Settlement Administrator shall be responsible for making all

necessary payments and government filings in connection with such payments.

10.6 No person shall have any claim against Defendant, Defendant' Counsel, Plaintiffs, the Class, Class Counsel or the Settlement Administrator based on mailings, distributions and payments made in accordance with this Stipulation of Settlement.

11. RELEASE BY THE CLASS

11.1 In exchange for the consideration recited in this Settlement, upon the Effective Date, Plaintiff and all Class Members who do not timely submit a Request for Exclusion do hereby and forever release, acquit, and discharge Defendant and their respective present and former parents, owners, successors, subsidiaries, and any affiliated or related persons or entities and each of their respective officers, directors, employees, partners, shareholders, attorneys and agents and any other successors, assigns or legal representatives ("the Released Parties") from the Released Claims

12. VOIDING THE AGREEMENT

12.1 Because the Parties have stipulated to the certification of the Class with respect to all causes of action alleged in the Action for settlement purposes only, this Stipulation requires preliminary and final approval by the Court. Accordingly, the Parties enter into this Stipulation on a conditional basis. This Stipulation is contingent upon the approval and certification by the Court.

12.2 If the Effective Date does not occur, the fact that the Parties were willing to stipulate for the purposes of this Stipulation to a Class shall have no bearing on, nor be admissible in connection with, the issue of certification of the Class with respect to all causes of action alleged in the Action. Defendant do not consent to certification of the Class for any purpose other than to effectuate settlement of the Action. If the Effective Date does not occur, or if Disposition of these Action is not effectuated, any certification of the Class will be vacated and the Plaintiff, Defendant and the Class will be returned to their positions with respect to the Action as if the Stipulation had not been entered into.

12.3 In the event that the Effective Date does not occur: (a) any Court orders preliminarily or finally approving certification of any class contemplated by this Stipulation shall be null, void, and vacated, and shall not be used or cited thereafter by any person or entity; and (b) the fact of the settlement reflected in this Stipulation, the fact that Defendant did not oppose the certification of a Class under this Stipulation, or that the Court preliminarily approved the certification of the Class, shall not be used or cited thereafter by any person or entity, including in any manner whatsoever, including without limitation any contested proceeding relating to the

certification of any class.

12.4 If the Effective Date does not occur, this Stipulation and any of the related negotiations or proceedings shall be deemed null and void, shall be of no force or effect whatsoever, and shall not be referred to or used for any purpose whatsoever. All Parties to this Stipulation shall stand in the same position, without prejudice, as if the Stipulation had been neither entered into nor filed with the Court. The fact that the Parties were willing to stipulate to class certification of all causes of action pled in the Action as part of the Settlement will have no bearing on, and will not be admissible in connection with, the issue of whether the Class should be certified by the Court in a non-settlement context in these Action or any other action. Defendant expressly reserve the right to challenge the propriety of class certification in the Action for any purpose, if the Effective Date does not occur.

12.5 The Parties and their respective counsel shall take all steps that may be requested by the Court relating to the approval and implementation of this Stipulation and shall otherwise use their respective best efforts to obtain Court approval and implement this Stipulation. If the Court does not grant the Motion for Preliminary Approval and/or the Motion for Final Approval, the Parties agree to meet and confer to address the Court's concerns. If the Parties are unable to agree upon a resolution, the Parties agree to seek the assistance of mediator Lynn Frank to resolve the dispute.

12.6 Released Parties' Right to Revoke: Released Parties have the right in their sole and exclusive discretion to terminate and withdraw from the Settlement at any time prior to the entry of the trial court's Order for Final Approval of the Settlement if any of the following occur: (a) the Settlement is construed in such a fashion that Released Parties are required to pay more than the Maximum Settlement Amount plus employer-side payroll taxes (except pursuant to the procedure outlined in Paragraph 4.2 herein); or (b) the Court does not certify the Settlement Class as described herein, or does not certify a class releasing all of the Released Claims defined herein, or otherwise makes an order materially inconsistent with any of the terms of this Settlement Agreement (except for an order reducing Class Counsel's proposed attorneys' fees or litigation costs, or the Class Representative Enhancement Payments); or (c) the Court does not grant preliminary or final approval of the Settlement. Additionally, Released Parties have the right, but not the obligation, in its sole and exclusive discretion to terminate and withdraw from the Settlement if five percent (5%) or more of the Class Members submit a timely and valid Request for Exclusion. Released Parties must exercise this right within ten (10) calendar days after the Settlement Administrator notifies the Parties of the number of valid and timely Request for Exclusion letters received, which the Settlement Administrator must do within seven (7) calendar days after the Objection/Exclusion Deadline. If Released Parties choose to withdraw it will be responsible for all costs incurred by the Settlement Administrator in administering the settlement up through the date of withdrawal. To terminate the settlement on this basis, Released

Parties must provide notice to Class Counsel of its intent to terminate the Settlement. If for any reason the Settlement is not approved by the Court, or if a Party terminates and withdraws from the Settlement pursuant to this paragraph, this Settlement Agreement and any related settlement documents shall be null and void, and any class certified for settlement purposes will be vacated. In such an event, neither the Settlement Agreement, nor the settlement documents, nor the negotiations leading to the Settlement may be used as evidence for any purpose, and Released Parties shall retain the right to challenge all claims and allegations in the action, to assert all applicable defenses, and to dispute the propriety of class certification on all applicable grounds. Released Parties may void the Settlement.

12.7 In the event a timely appeal is filed from the Final Approval Order and Judgment, the Final Order shall be stayed and the Gross Settlement Amount shall not be distributed pending the completion of the appeal.

12.8 Invalidation of any material portion of this Stipulation shall invalidate this Stipulation in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect.

13. MISCELLANEOUS PROVISIONS

13.1 Defendant's Costs: All of Defendant's own legal fees, costs, and expenses incurred in this Action shall be borne by Defendant.

13.2 The Parties agree to cooperate in the settlement administration process and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement, noting that the cost of administering the Settlement shall be deducted from the Maximum Settlement Fund subject to approval by the Court.

13.3 Authority to Enter into Settlement: The signatories hereto represent that they are fully authorized to enter into this Settlement and bind the Parties to the terms and conditions herein.

13.4 Cooperation in Drafting: The Parties have cooperated in the negotiation and preparation of this Stipulation. This Stipulation will not be construed against any Party on the basis that the Party, or the Party's counsel, was the drafter or participated in the drafting of this Stipulation.

13.5 Mutual Full Cooperation: The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement, including, but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms

of this Settlement. The Parties shall use their best efforts, including all efforts contemplated by this Settlement and any other efforts that may become necessary by order of the Court to effectuate this Settlement and the terms set forth herein. In the event the Parties are unable to reach a Stipulation on the form or content of any document needed to implement the Settlement, or on any supplemental provisions or Action that may become necessary to effectuate the terms of this Settlement, the Parties shall seek the assistance of the Court to resolve such disagreement.

13.6 No Admission: Nothing contained herein, nor the consummation of this Settlement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant or any of the other Released Parties. Each of the Parties hereto has entered into this Settlement with the intention of avoiding further disputes and litigation with the attendant risk, inconvenience and expenses. This Settlement is a settlement document and shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408 and/or any other similar law, be inadmissible as evidence in any proceeding, except an action or proceeding to approve the Settlement, and/or interpret or enforce this Settlement.

13.7 Construction: The Parties agree that the terms and conditions of this Settlement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that this Settlement shall not be construed in favor of or against any of the Parties by reason of the extent to which any Party participated in drafting this Settlement.

13.8 Headings: The descriptive heading of any section or paragraph of this Stipulation is inserted for convenience of reference only and does not constitute a part of this Stipulation and shall not be considered in interpreting this Stipulation.

13.9 Representation by Counsel: The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Stipulation, and that this Stipulation has been executed with the consent and advice of counsel.

13.10 No Reliance on Representations: The Parties have made such investigation of the facts and the law pertaining to the matters described herein and to this Stipulation as they deem necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact or law, made by any of the other parties, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Stipulation, or with respect to any other matters. No representations, warranties, or inducements have been made to any party concerning this Stipulation.

13.11 Notice: All notices, demands, or other communications given under this Stipulation must be in writing and addressed to Class Counsel and/or Defendant' Counsel using

the contact information outlined under sections 1.4 and 1.13 of this Stipulation.

13.12 Jurisdiction of the Court: Except for those matters to be resolved by the Settlement Administrator as expressly stated, any dispute regarding the interpretation or validity of this Settlement, or relating to the Action or the Released Claims, shall be subject to the exclusive jurisdiction of the Court, and Plaintiff, Class Members, and Defendant agree to submit to the personal and exclusive jurisdiction of the Court pursuant to California Code of Civil Procedure section 664.6 and California Rule of Court 3.769(h). The Disposition entered by the Court will not adjudicate the merits of the Action or the liability of the Parties resulting from the allegations of the Action. The Court shall retain jurisdiction solely with respect to the interpretation, implementation and enforcement of the terms of this Settlement and all orders, judgments entered in connection therewith, and post-judgment matters. The prevailing party to any enforcement Action of this Agreement shall be entitled to recover its attorneys' fees and costs related to such enforcement Action.

13.13 California Law Governs: All terms of this Settlement and exhibits hereto shall be governed by and interpreted according to the laws of the State of California, regardless of its conflict of laws.

13.14 Invalidity of Any Provision: The Parties request that before declaring any provision of this Stipulation of Settlement invalid, the Court shall first attempt to construe all provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions in this Stipulation of Settlement valid and enforceable.

13.15 Amendment or Modification: This Settlement may be amended or modified only by a written instrument signed the Parties or their successors-in-interest.

13.16 Interim Stay of Proceedings: The Parties agree to hold in abeyance all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval Hearing to be conducted by the Court.

13.17 Counterparts and Fax/Electronic Signatures: This Settlement may be executed in counterparts. When each of the Parties has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully-signed Settlement, which shall be binding upon and effective as to all Parties. A fax or electronic signature, such as DocuSign, on this Stipulation shall be as valid as an original signature.

13.18 Entire Agreement: This Stipulation and exhibits hereto constitute the entirety of the Settlement terms. No other prior or contemporaneous written or oral agreements may be

deemed binding on the Parties, and this Stipulation supersedes all prior agreements and understandings among the Parties hereto with respect to the settlement of the Action, including correspondence between Class Counsel and Defense Counsel and drafts of prior agreements or proposals. The Parties expressly recognize that California Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a) provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and agree that no such extrinsic oral or written representations will modify, vary or contradict the terms of the Settlement. In case of any conflict between text contained in Sections 1 through 14 of this Stipulation and text contained in the Exhibits to this Stipulation, the former (*i.e.*, Sections 1 through 14) shall be controlling, unless the Exhibits are changed by or in response to a Court order. There are no restrictions, promises, representations, warranties, covenants, or undertakings governing the subject matter of this Stipulation other than those expressly set forth or referred to herein.

13.19 Waiver: Any failure of any Party, Defense Counsel, or Class Counsel hereto to comply with any obligation, covenant, agreement, or condition herein may be expressly waived in writing, to the extent permitted under applicable law, by the Party or Parties and their respective counsel hereto entitled to the benefit of such obligation, covenant, agreement, or condition. A failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

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

13.21 Assignment: None of the rights, commitments, or obligations recognized under this Stipulation may be assigned by any Party, Class Member, Class Counsel, or Defense Counsel without the express written consent of each other Party and their respective counsel. The representations, warranties, covenants, and agreements contained in this Stipulation are for the sole benefit of the Parties under this Stipulation, and shall not be construed to confer any right or to avail any remedy to any other person.

13.22 Binding on Successors and Assigns: This Settlement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties to this Settlement.

13.23 Deadlines Falling on Weekends or Holidays: To the extent that any deadline set forth in this Stipulation falls on a Saturday, Sunday or legal holiday, that deadline shall be continued until the following business day.

IT IS SO AGREED.

Dated: 11/18, 2021

**PLAINTIFF, FANG ZHANG, on behalf of herself
and a class of others similarly situated**

zhang fang
FANG ZHANG

Dated: 30 Nov., 2021

**PLAINTIFF, YING CAO, on behalf of herself and
a class of others similarly situated**

Ying Cao.
YING CAO

12/1/2021

Dated: 30 Nov, 2021

DEFENDANT, PANROSA ENTERPRISES, INC.

By: DocuSigned by:
Mischella Mack
107DDE0CC9664F0...
(Authorized Representative of Defendant)

APPROVED AS TO FORM AND CONTENT:

Dated: 11/18, 2021

**CLASS COUNSEL:
ACKERMANN & TILAJEF, P.C.**

By: 
CRAIG ACKERMANN

Attorneys for Plaintiffs, FANG ZANG AND YING
CAO, on behalf of themselves and a class of others
similarly situated

Dated: _____, 2020

CLASS COUNSEL:

11/18/2021

EMPLOYMENT RIGHTS LAW GROUP, APC

By: _____

AMIR SEYEDFARSHI

Attorney for Plaintiffs FANG ZANG AND YING
CAO, on behalf of themselves and a class of others
similarly situated

December 1, 2021
DATED: _____, 2020

DEFENDANT'S COUNSEL:
BRADLEY & GMELICH LLP

BY: _____

JAIMEE K. WELLERSTEIN

Attorney for Defendant, PANROSA ENTERPRISES,
INC.