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Attorneys for Plaintiffs NATHANIAL RUBERO
ERNESTO CARRANZA AGUILAR on behalf of themselves
and all others similarly situated

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

NATHANIAL RUBERO and ERNESTO
CARRANZA AGUILAR on behalf of
themselves and all others similarly situated

Plaintiffs,

vs.

CLASSIC DISTRIBUTING AND
BEVERAGE GROUP, INC. a California
corporation, and DOES 1 through 50,
inclusive,

Defendants.

Case No. 20STCV38353
Assigned For All Purposes To:
Judge: Hon. Stuart Rice
Dept.: 1

**DECLARATION OF JAMES R. HAWKINS IN
SUPPORT OF THE MOTION FOR FINAL
APPROVAL OF CLASS ACTION AND PAGA
SETTLEMENT**

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I, James R. Hawkins, declare as follows:

1. I am an individual over the age of 18. I am a partner at the Law Firm of James Hawkins APLC. I am one of the attorneys of record for Plaintiffs Nathaniel Rubero and Ernesto Carranza Aguilar (hereinafter referred to as “Plaintiffs”). I have personal knowledge of the facts set forth below and if called to testify I could and would do so competently.

2. On October 5, 2020, Plaintiffs Nathaniel Rubero and Ernesto Carranza Aguilar initiated this action in the Superior Court for the County of Los Angeles on behalf of themselves and all others similarly situated, styled *Rubero et al. v. Classic Distributing ad Beverage Group*, No. 20STCV38353. The Complaint asserts causes of action for; (1) failure to pay lawful wages including overtime wages; (2) failure to provide lawful meal periods or compensation in lieu thereof; (3) failure to provide lawful rest periods or compensation in lieu thereof; (4) failure to pay timely wages; (5) failure to indemnify employee expenses (6) knowing and intentional failure to comply with itemized employee wage statement provisions; and (7) violations of the unfair competition law (Bus. & Prof. Code § 17200 *et seq.*) (the “Action”).

3. Also on October 5, 2020, Nathaniel Rubero and Ernesto Carranza Aguilar provided notice to the Labor and Workforce Development Agency (“LWDA”) of their intent to pursue Defendant for all civil penalties arising from Defendant’s alleged failure to, pay all wages earned including failure to provide proper rest periods and meal breaks, failure to reimburse employee expenses, failure to provide accurate wage statements to Plaintiffs and other similarly situated aggrieved employees.

4. On January 28, 2021, Plaintiffs filed a First Amended Complaint, which included one additional cause of action for violations of the Private Attorney General Act (Labor Code § 2699 *et seq.*) (“PAGA”). The First Amended Complaint is the operative complaint in this matter.

5. Throughout this litigation, Defendant has denied Plaintiffs' allegations and raised defenses to their claims, individually and on a representative basis. Defendant maintains that its employment policies and practices meet the requirements of the Labor Code and applicable Wage Orders.

1 **6.** To date, no motion for class certification has been filed, no class has been certified
2 and the Court has not made any findings that Classic Distributing engaged in any wrongdoing or
3 in violation of any state law, rule or regulation, with respect to the issues presented in the
4 litigation..

5 **7.** Through informal discovery, Plaintiffs and Classic Distributing have exchanged
6 extensive documents and information related to the claims asserted. Defendant has produced
7 thousands of pages of information, including timecard records and wage reports of putative Class
8 members.

9 **8.** Defendant also provided Plaintiffs with class data and random samples of time
10 records, wage statements, information regarding the number of non-exempt employees during the
11 relevant time period.

12 **9.** After conducting informal discovery, exchanging relevant information and
13 engaging in numerous discussions regarding the claims alleged, on June 30, 2022, the parties
14 participated in a private mediation with mediator Gig Kyriacou, an experienced wage and hour
15 class action mediator. During the course of the mediation, the parties exchanged further
16 information and documentation concerning Plaintiffs' claims and Classic Distributing's defenses
17 thereto, and aggressively advocated for their respective positions; however, they did not reach a
18 settlement.

19 **10.** After the mediation, the parties continued in settlement negotiations, with the
20 assistance of the mediator. On or about July 14, 2022, the parties reached a settlement in principle
21 of this Action for a maximum settlement amount of \$450,000. Thereafter, the Parties exchanged
22 multiple drafts of the proposed settlement agreement and class notice documents and engaged in
23 communications regarding the settlement terms.

24 **11.** The final terms and provisions of the settlement agreement were approved and
25 executed by all the parties on or about February 7, 2023. (A true and correct copy of the
26 Settlement Agreement is attached hereto as **Exhibit 1**)

27 **12.** The predominant claims in this action arise from alleged violations of California
28 law with respect to hours worked, meal breaks and breaks. Specifically, Plaintiffs allege that that

1 they and Class Members worked “off the clock” to complete certain tasks for which they did not
2 receive compensation. During the liability period, Plaintiffs contend that they and Class Members
3 were required to work during their meal periods by taking calls from management and/or clients.
4 As Sales Representatives, Plaintiffs allege that they were required to answer calls from their
5 managers and clients while they were off the clock at the end of their shifts. Plaintiffs contend
6 that they and Class Members were not compensated for this “off the clock” work and thus not
7 paid all lawful wages owed including overtime and/or minimum wage.

8 **13.** Plaintiffs and Class Members were also not provided a minimum, uninterrupted
9 30-minute meal break before the end of the fifth hour of their work shift. Plaintiffs also allege that
10 they and Class Members were not provided a second 30-minute meal period when they worked
11 shifts in excess of 10 hours. Similarly, with respect to the rest break claim, Plaintiffs allege that,
12 as with the meal breaks, due to the workload, policies, and practices of Defendant, Plaintiffs and
13 Class Members during the liability period, were required to work without being permitted or
14 authorized to take compliant rest breaks. Additionally, Plaintiffs alleged that they and Class
15 Members worked more than 10 hours a day without receiving a third ten-minute rest break.
16 Classic Distributing disputes Plaintiffs’ rest break claim and contends that Class Members were
17 allowed to take ten-minute rest periods and regularly took such breaks.

18 **14.** Defendants adamantly deny Plaintiffs’ allegations and maintain that Plaintiffs and
19 Class Members were provided with the opportunity to take all meal and rest periods to which they
20 were entitled. Defendant disputed that any of the claims had merit based upon its written policies
21 Defendants also dispute the propriety of certification in this case and contend that its policies and
22 practices concerning the claims asserted in this lawsuit are compliant with California law.
23 Defendants have also denied and continue to deny that the lawsuit is appropriate for class
24 treatment for any purpose other than for settlement.

25 **15.** As thoroughly discussed in Plaintiffs’ motion for preliminary approval, Plaintiffs’
26 counsel estimated the maximum potential liability between \$527,632 and \$1,149,396 that may be
27 owed to the putative class, assuming Plaintiffs and the Class were able to obtain an order
28 certifying the class and were also able to fully prove all their claims.

1 **16.** Through their counsel, Plaintiffs took into consideration the significant risk that
2 class certification could be denied on the central claims, or that a merits decision on the central
3 claims would not favor the Class Plaintiffs considered the expense and length continued
4 proceedings necessary to continue the Action against Defendant through trial and any possible
5 appeals along with Defendant's financial position. Thus, the settlement for Settlement Class
6 members is fair, reasonable, and adequate, given the inherent risk of litigation, the risk relative to
7 class certification and the costs of pursuing such litigation.

8 **17.** Based on their own respective independent investigations and evaluations and after
9 taking into account the sharply disputed factual and legal issues involved in this matter, the risks
10 attending further prosecution in light of certification issues faced due to the *Brinker Rest. Corp. v.*
11 *Super. Ct.*, (2012) 53 Cal. 4th 1004 ("*Brinker*") decision, the discovery and investigation
12 conducted to date, Plaintiffs and their counsel are of the opinion that settlement for the
13 consideration and on the terms set forth in the Settlement Agreement is fair, reasonable and
14 adequate and is in the best interests of the named Plaintiffs and Class Members.

15 **18.** The Class Representative Service Payment is intended to compensate named
16 Plaintiffs, Nathaniel Rubero and Ernesto Carranza, as the Class Representatives for their
17 willingness to accept the responsibility of representing the interests of all Class Members. The
18 purpose is to provide an incentive payment, taking into consideration the risks, time, and effort
19 expended by them in coming forward to provide invaluable information and to litigate this matter
20 on behalf of all Class Members.

21 **19.** Plaintiffs also risked potential judgment against them if this case had been
22 unsuccessful. In class action losses, class representatives are deemed the losing party that is liable
23 for the prevailing party's costs *Earley v. Superior Court*, (2000) 79 Cal. App. 4th 1420, 1433-
24 1434. Finally, Plaintiffs also risked this lawsuit having a negative impact on future employment
25 opportunities, as prospective employers may be less inclined to hire an employee who has served
26 as a class representative

27 **20.** Class Counsel has represented, mediated and settled many other employee class
28 actions in wage and hour litigation. In 2007, I incorporated my wage and hour class action

1 practice as James Hawkins, APLC, and the Court has preliminarily approved my firm as Class
2 Counsel in this matter. Since its inception, this law firm has been exclusively involved in class
3 actions and complex litigation. Our office is litigating at least 60 other class actions.

4 **21.** Since 2002, I have been lead or co-lead counsel in all of the cases listed below,
5 along with many others. Plaintiffs' counsel has been certified and approved as Class Counsel in
6 other wage/hour class actions including: *Mancel v. United Parcel Service, Inc. dba UPS*, LASC
7 No. BC 325902 [Wage and Hour Class Action]; *Acosta v. Fleetwood Travel Trailers of*
8 *California, Inc., et al.*, RSC, No. RIC 440630 [Wage and Hour Class Action]; *Adame v. Pacific*
9 *Messenger Service, Inc.*, OCSC No. 05CC00013 [Wage and Hour Class Action]; *Chandler v. Mi*
10 *Piace, LLP, et al.*, LASC No. BC 337780 [Wage and Hour Class Action]; *Defries v. Domain*
11 *Restaurants, et al.*, OCSC No. 05CC00128 [Wage and Hour Class Action]; *Denton v. BLB*
12 *Enterprises, Inc., et al.*, OCSC No. 07CC01292 [Wage and Hour Class Action]; *Maciel v. Orkin*
13 *Exterminating Company, Inc.*, LASC No. BC 357911 [Wage and Hour Class Action]; *Martinez v.*
14 *Securitas Security Services USA, et al.*, SCSC No. 105-CV047499, et al. J.C.C.P. No. 4460
15 [Wage and Hour Class Action]; *Martinez v. Saint-Gobain Containers, USDC CD Cal. No. SA*
16 *CV06-00690-CJC* [Wage and Hour Class Action]; *McMurray v. Dave and Busters, Inc.*, OCSC
17 No. 06CC00099 [Wage and Hour Class Action]; *Osuna v. DFG Restaurants, Inc., et al.*, LASC
18 No. BC330145 [Wage and Hour Class Action]; *Padron v. Universal Protection Service*, OCSC
19 No. 05CC00013 [Wage and Hour Class Action]; *Ortiz v. Kmart*, USDC CD Cal. No. SACV 06-
20 638 ODW (Anx) [Wage and Hour Class Action]; *Willems v. Diedrich Coffee, Inc.*, OCSC No.
21 07CC00015, and numerous others.

22 **22.** Class Counsel commands a high hourly rate due to our success in overtime, meal
23 and rest period, expense reimbursement, misclassification, vacation pay, and various other wage
24 and hour class actions, and we take pride in being held in very high regard by the legal
25 community.

26 **23.** James Hawkins APLC is a boutique law firm that specializes in wage and hour
27 class actions and is primarily comprised of several seasoned attorneys and staff. While this matter
28 did not conclusively preclude other employment, it did impact our ability to take on other cases.

1 The hourly rates for the attorneys who worked on this case, Isandra Fernandez, Lance Dacre,
2 Kacey Cook, Anthony Draper, and myself are hourly rates charged by other firms that handle
3 complex litigation in California. Numerous California firms provided their hourly billing rates in
4 connection with a survey conducted by the National Law Journal. Of these California law firms,
5 ten regularly charge hourly rates of \$660, \$795, \$850, and even \$980 per hour. (A true and
6 correct copy of this National Law Journal 2011 survey is attached hereto as **Exhibit 3**).

7 **24.** Ms. Fernandez, my co-counsel on this matter, has been a member of the Florida
8 Bar since January 1996 and member of the California Bar since August 2002. Ms. Fernandez has
9 specialized in employment related litigation including complex wage and hour civil litigation
10 since 2003. Ms. Fernandez has been, and currently is, co-counsel in over 60 wage and hour class
11 action litigations for our firm and has produced excellent results for this firm's clients in the wage
12 and hour class actions. Mr. Dacre joined the law firm on February 7, 2022. He has been a member
13 of the California bar since November 1997. His experience has been in both criminal and civil
14 litigation.

15 **25.** Attorneys Cook and Draper have been involved extensive and litigious class action
16 litigation. Ms. Cook, an associate who worked on this matter, has been a member of the
17 California Bar since June 2021 and involved in class action litigation since 2019. Ms. Cook is
18 currently working on over 40 wage and hour class action litigations for our firm. Mr. Draper,
19 prior to choosing the complex civil litigation path, was a judicial clerk in the County of San
20 Louis Obispo.

21 **26.** Class Counsel represented the class members in this matter and has borne the
22 entire risk and costs of litigation on a pure contingency basis. To date, Class Counsel has not
23 received any compensation and expended litigation costs on behalf of the class. Class action
24 contingency cases are inherently risky. Upon retention, Class Counsel makes a commitment to
25 litigate the case through trial. These types of cases can take years, hundreds of hours of work and
26 cost an enormous amount of money; these risks are known upon retention. The risks involved
27 coupled with the contingency basis of this case further support Class Counsel's request for
28 attorneys' fees and costs

1 **27.** Since on or about September 17, 2020, prior to the inception of the filing of this
2 lawsuit on October 5, 2020 through the present, James Hawkins APLC has had to, among other
3 things, expend time on the following: discussions with client; conduct comprehensive
4 investigations including but not limited to researching Defendant's structure, positions, locations;
5 conduct research and analysis regarding potential class members within the scope of the putative
6 class and potential claims; draft Complaint and PAGA letter to the LWDA; draft First Amended
7 Complaint; review answer to complaint; discussions with defense counsel; prepare joint status
8 conference reports; attend the same; prepare a discovery plan on class certification issues related
9 to the case; engage in informal discovery; engage in meet and confer discussions regarding
10 mediation and documents and information to be exchanged prior to; stay abreast of developments
11 in case law; review hundreds of pages of records, manuals and data; engage in discussions with
12 Plaintiffs regarding lawsuit; review documents, engage in discussions; prepare for mediation;
13 draft mediation brief; participate in a full day mediation; engage in post mediation discussions;
14 engage in numerous discussions with Defendant regarding the specific terms of the Settlement
15 and exchange multiple drafts of the settlement agreement; prepare motion for preliminary
16 approval and supporting documents; draft class notice; review tentative ruling regarding
17 preliminary approval motion, research issues presented, draft supplement to preliminary approval
18 motion; review order; correspondence and discussions with settlement administrator re: notice
19 documents; discussions with settlement administrator and defense regarding class data and
20 potential impact on settlement amount; review weekly reports regarding class notice; discussions
21 with defendant and settlement administration regarding final approval; prepare final approval
22 moving papers; take all actions to finalize a settlement through the final approval phases and
23 beyond. A great amount of time and effort has been expended to properly and comprehensively
24 perform the job required of this case and prepare for all contingencies that may arise, regardless
25 of whether the case settles regardless of whether the case settles and allows us to determine the
26 strengths and weaknesses of the claims.

27 **28.** The attorneys who have worked on this matter are Ms. Fernandez, Mr. Dacre, Ms.
28 Cook, Mr. Draper, and me. My hourly rate is \$950, Ms. Fernandez's hourly rate is \$900, Mr.

1 Dacre's hourly rate is \$850, Ms. Cook's hourly rate is \$475 and Mr. Draper's hourly rate is \$475.
2 The hourly rate for the paralegal, Ms. Whitson, who worked on this matter, is \$200. Since the
3 inception of this matter, prior to filing the Complaint, the total amount of attorney time and
4 paralegal time estimated to have been expended and also estimated to be expended in finalizing
5 this matter is 212.2 (James Hawkins 32.3 hours, Ms. Fernandez 88.5 hours, Mr. Dacre 19 hours,
6 Kacey Cook 36 hours, Anthony Draper 10 hours and Ms. Whitson 26.4) which equates to
7 \$153,615 in fees. Class Counsel does not have any fee-splitting arrangements with any other
8 counsel or law firm.

9 **29.** Here, the parties' contractual agreement to pay counsel's attorneys' fees is
10 reasonable. My firm has been the only counsel to represent Plaintiffs and the Class Members in
11 this matter, and we have borne the entire risk and cost of this litigation on a pure contingency
12 basis. To date, Class Counsel has not received any compensation and expended litigation costs on
13 behalf of the class. Class action contingency cases are inherently risky. Upon retention, Class
14 Counsel makes a commitment to litigate the case through trial. These types of cases can take
15 years, hundreds of hours of work and cost an enormous amount of money; these risks are known
16 upon retention. The risks involved coupled with the contingency basis of this case further support
17 Class Counsels' request for attorneys' fees and costs.

18 **30.** Class Counsel's costs in this litigation are \$19,900.00 (A true and correct copy of
19 Class Counsel's cost invoice is attached hereto as **Exhibit 2.**)
20

21 I declare under penalty of perjury under the laws of the State of California that the
22 foregoing is true and correct. Executed October 13, 2023 at Irvine, California.

23
24 
25 _____
26 James R. Hawkins, Esq.
27
28

EXHIBIT 1

***RUBERO V. CLASSIC DISTRIBUTING*, Case No. 20STCV38353**

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs NATHANIAL RUBERO (Plaintiff “Rubero”) and ERNESTO CARRANZA AGUILAR (Plaintiff “Aguilar”) (collectively, “Plaintiffs”) and defendant CLASSIC DISTRIBUTING AND BEVERAGE GROUP, INC. (“CLASSIC DISTRIBUTING”). The Agreement refers to Plaintiffs and CLASSIC DISTRIBUTING collectively as “Parties,” or individually as “Party.”

1.DEFINITIONS.

1.1. “Action” means the Plaintiffs’ lawsuit alleging wage and hour violations against CLASSIC DISTRIBUTING captioned *Rubero et al. v. Classic Distributing ad Beverage Group*, No. 20STCV38353, initiated on October 5, 2020 and pending in Superior Court of the State of California, County of Los Angeles.

1.2. “Administrator” means Simpluris, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4. “Aggrieved Employee” means a person employed by CLASSIC DISTRIBUTING in California and classified as non-exempt who worked for CLASSIC DISTRIBUTING during the PAGA Period.

1.5. “Class” means all persons employed by CLASSIC DISTRIBUTING in California and classified as a non-exempt Sales Representative or Sales Associate during the Class Period].

1.6. “Class Counsel” means James Hawkins, Esq. and Isandra Y. Fernandez, Esq. of James Hawkins APLC.

1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for attorneys’ fees and reimbursement of reasonable expenses incurred to prosecute the Action.

1.8. “Class Data” means Class Member identifying information in CLASSIC DISTRIBUTING’s possession including the Class Member’s name, last-known mailing address, Social Security number, , and number of Class Period Workweeks and PAGA Pay Periods.

1.9. “Class Member” or “Settlement Class Member” means a member of either the Sales Representative Class or the Sales Associate Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including,

but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English with a Spanish translation, if applicable, in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12. “Class Period” means the period from October 5, 2019 to June 30, 2022.

1.13. “Class Representative” means the named Plaintiffs in the operative complaint in the Action seeking Court approval to serve as a Class Representative.

1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.15. “Court” means the Superior Court of California, County of Los Angeles.

1.16. “CLASSIC DISTRIBUTING” means named Defendant Classic Distributing & Beverages, Inc..

1.17. “Defense Counsel” means Steven W. Brennan, Esq. of St. John, Brennan & Folan LLP.

1.18. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.

1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.22. “Gross Settlement Amount” means \$450,000 which is the total amount CLASSIC DISTRIBUTING agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator’s Expenses.

1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

- 1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30. “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for CLASSIC DISTRIBUTING for at least one day during the PAGA Period.
- 1.31. “PAGA Period” means the period from October 5, 2019 to June 30, 2022
- 1.32. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33. “PAGA Notice” means Plaintiffs’ October 5, 2020 letter to CLASSIC DISTRIBUTING and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.34. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$7,500.00) and the 75% to LWDA (\$22,500.00) in settlement of PAGA claims.
- 1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36. “Plaintiffs” means Nathaniel Rubero and Ernesto Carranza Aguilar, the named plaintiffs in the Action.
- 1.37. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39. “Released Class Claims” means the claims being released as described in Paragraph 6.2 below.
- 1.40. “Released PAGA Claims” means the claims being released as described in Paragraph 6.2 below.
- 1.41. “Released Parties” means: CLASSIC DISTRIBUTING and each of its former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, and assigns.

1.42. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.43. "Response Deadline" means forty- five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

1.44. "Rios Action" means Juan Carlos Rios v Classic Distributing & Beverage Group, Inc., LASC Case No 20PSCV00012.

1.45. "Sales Associate Class" means all persons employed by CLASSIC DISTRIBUTING in California and classified as a non-exempt Sales Associate during the Class Period.

1.46. "Sales Representative Class" means all persons employed by CLASSIC DISTRIBUTING in California and classified as a non-exempt Sales Representative during the Class Period.

1.47. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.48. "Workweek" means any week during which a Class Member worked for CLASSIC DISTRIBUTING for at least one day, during the Class Period.

2. RECITALS.

2.1. On October 5, 2020, Plaintiffs commenced this Action by filing a Complaint alleging causes of action against CLASSIC DISTRIBUTING for failure to pay lawful wages, failure to provide meal and rest periods, failure to timely pay wages, failure to reimburse employee expenses, failure to provide accurate and itemized wage statements, and violations of the business and professions code. On January 28, 2021, Plaintiffs filed a First Amended Complaint alleging an additional cause of action against CLASSIC DISTRIBUTING for PAGA violations. The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint.") CLASSIC DISTRIBUTING denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiffs gave timely written notice to CLASSIC DISTRIBUTING and the LWDA by sending the PAGA Notice.

2.3. The Class Representatives, as well as the members of the putative class, were parties to arbitration agreements with CLASSIC DISTRIBUTING that required all of their claims, other than their PAGA claims, to be arbitrated on an individual, non-class, basis.

2.4. Prior to the filing of this Action, the Rios Action had been filed and also alleged claims for the First, Fourth, Sixth, Seventh and Eighth causes of action, except only on behalf of CLASSIC DISTRIBUTING's Sales Representatives, i.e., no Sales Associates were involved in the Rios Action. The parties to the Rios Action mediated and reached a settlement in March 2021. Under the terms of said settlement, CLASSIC DISTRIBUTING's Sales Representatives waived and released some or all of any claims they otherwise might have had under the First, Fourth, Sixth, Seventh and Eighth causes of action in the instant Action, from May 2018 through December 15, 2021. Accordingly, for said time period,

only the Second, Third and Fifth causes of action were fully available to CLASSIC DISTRIBUTING's Sales Representatives.

2.5. On June 30, 2022, the Parties participated in an all-day mediation presided over by Gig Kyriacou, Esq. which led to this Agreement to settle the Action.

2.6. Prior to mediation, CLASSIC DISTRIBUTING provided proof that they were bound by arbitration agreements which contained a class or collective action waiver. CLASSIC DISTRIBUTING also provided evidence that Plaintiff Aguilar was employed by it as a Sales Associate, rather than a Sales Representative. In addition, Plaintiffs obtained, through informal discovery, records related to Plaintiffs, the Class Members, and Aggrieved Employees, including but not limited to an adequate sampling of policy documents, wage statements, employee handbooks, time records, Class Data, and relevant data points pertaining to the class and PAGA claims. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.7. The Court has not granted class certification because the Parties engaged in mediation before any class certification briefing.

2.8. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, CLASSIC DISTRIBUTING promises to pay \$450,000 and no more as the Gross Settlement Amount. CLASSIC DISTRIBUTING has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to CLASSIC DISTRIBUTING.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1. To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than \$10,000 each (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as a Participating Class Member). CLASSIC DISTRIBUTING will not oppose Plaintiffs' request for a Class Representative Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33.33% of the Gross Settlement Amount, which is currently estimated to be \$150,000 and a Class Counsel Litigation

Expenses Payment of not more than \$20,000. CLASSIC DISTRIBUTING will not oppose requests for these payments provided they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds CLASSIC DISTRIBUTING harmless, and indemnifies CLASSIC DISTRIBUTING, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$12,000 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$12,000, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: The Administrator will first divide the Net Settlement Amount assigning 60% to the Sales Associate Class and 40% to the Sales Representative Class. (This apportionment is due to the fact that the Sales Representatives previously received compensation for and waived several of their claims in the Action in the Rios Action settlement.) It will then calculate the Individual Class Payment for each member of the respective classes by (a) dividing the Net Settlement Amount assigned to that Class by the total number of Workweeks worked by all Participating Class Members in that Class during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. As an example, if the Net Settlement Amount assigned to the Sales Associate Class is \$150,000, the total number of Sales Associate Workweeks is 17,000, the Administrator will divide 150,000 by 17,000, resulting in a per workweek value of \$8.82. The Administrator will then multiply that figure by each Participating Sales Associate Class Member's Workweeks. Following that, the Administrator will do the same for the Sales Representative Class using its share of the Net Settlement Amount, the total number of Sales Representative Workweeks, and each Participating Sales Representative Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$30,000 to be paid from the Gross Settlement Amount, with 75% (\$22,500) allocated to the LWDA PAGA Payment and 25% (\$7,500) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$7,500) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Aggrieved Employee PAGA Pay Periods. Based on a review of its records to date, CLASSIC DISTRIBUTING estimates there are 414 Sales Associate Class Members who collectively worked a total of approximately 17,000 Workweeks, and 260 Sales Representative Class Members who worked a total of approximately 13,350 Workweeks, and 674 Aggrieved Employees who worked a total of approximately 16,183 PAGA Pay Periods.

4.2. Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, CLASSIC DISTRIBUTING will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. CLASSIC DISTRIBUTING has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which CLASSIC DISTRIBUTING must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. CLASSIC DISTRIBUTING shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay CLASSIC DISTRIBUTING's share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 14 days after CLASSIC DISTRIBUTING funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks

for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate CLASSIC DISTRIBUTING to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

6. RELEASES OF CLAIMS. Effective on the date when CLASSIC DISTRIBUTING fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

6.1 Plaintiffs' Release. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiffs' PAGA Notice, or ascertained during the Action and released under 6.2, below. ("Plaintiffs' Release.") Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

6.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

6.2 Release by Participating Class Members Who Are Not Aggrieved Employees: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action including, (a) any and all claims involving any alleged failure to pay minimum wage; (b) any and all claims involving any alleged failure to provide meal periods or compensation in lieu thereof; (c) any and all claims involving any alleged failure to provide rest periods or compensation in lieu thereof; (d) any and all claims involving any alleged failure to pay timely wages; (e) any and all claims involving any alleged failure to reimburse employee expenses; (f) any and all claims involving any alleged failure to provide accurate, itemized wage statements; and (g) any and all claims involving any alleged violations of the business and professions code § 17200 *et seq.* Except as set forth in Section 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

6.3 Release by Non-Participating Class Members Who Are Aggrieved Employees: All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice including (a) any and all claims involving any alleged failure to pay minimum wage; (b) any and all claims involving any alleged failure to provide meal periods or compensation in lieu thereof; (c) any and all claims involving any alleged failure to provide rest periods or compensation in lieu thereof; (d) any and all claims involving any alleged failure to pay timely wages; (e) any and all claims involving any alleged failure to reimburse employee expenses; and (f) any and all claims involving any alleged failure to provide accurate, itemized wage statements.

7. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

7.1 CLASSIC DISTRIBUTING's Declaration in Support of Preliminary Approval. Within 45 days of the full execution of this Agreement, CLASSIC DISTRIBUTING will prepare and deliver to Class Counsel a signed Declaration from CLASSIC DISTRIBUTING and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and CLASSIC DISTRIBUTING shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

7.2 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from each Plaintiff confirming

willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (1)(1)), this Agreement (Labor Code section 2699, subd. (1)(2)); (vi) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, and the Administrator. In their Declarations, Plaintiffs and Class Counsel Declaration shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

7.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than [30] days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

7.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

8. SETTLEMENT ADMINISTRATION.

8.1 Selection of Administrator. The Parties have jointly selected Simpluris, Inc. to serve as the Administrator and verified that, as a condition of appointment, Simpluris, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

8.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

8.4 Notice to Class Members.

8.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and PAGA Pay Periods in the Class Data.

8.4.2 Using best efforts to perform as soon as possible, and in no event later than [14] days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation, if

applicable, substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

8.4.3 Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

8.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

8.4.5 If the Administrator, CLASSIC DISTRIBUTING or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith. In an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

8.5 Requests for Exclusion (Opt-Outs).

8.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

8.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

8.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 6.2

and 6.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.4 of this Agreement and are eligible for an Individual PAGA Payment.

8.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

8.7 Objections to Settlement.

8.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

8.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

8.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

8.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and

monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

8.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

8.8.4 Workweek and/or PAGA Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or PAGA Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

8.8.5 Administrator’s Declaration. Not later than 14 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

8.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

9. CLASS SIZE ESTIMATES Based on its records, CLASSIC DISTRIBUTING estimates that, as of the date of this Settlement Agreement, (1) there are 414 Sales Associate Class Members who collectively worked a total of approximately 17,000 Workweeks and 260 Sales Representative Class Members who worked a total of approximately 13,350 Total Workweeks during the Class period and (2) there were 674 Aggrieved Employees who worked a total of 16,183 PAGA Pay Periods during the PAGA Period.

10. CLASSIC DISTRIBUTING’S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, CLASSIC

DISTRIBUTING may, but is not obligated to, elect to withdraw from the Settlement. The Parties agree that, if CLASSIC DISTRIBUTING withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, CLASSIC DISTRIBUTING will remain responsible for paying all Settlement Administration Expenses incurred to that point. CLASSIC DISTRIBUTING must notify Class Counsel and the Court of its election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

11. MOTION FOR FINAL APPROVAL. Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than [seven] days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

11.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

11.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties’ obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

11.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court’s concerns and to obtain Final Approval and entry of Judgment,

sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

12. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

13. ADDITIONAL PROVISIONS.

13.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by CLASSIC DISTRIBUTING that any of the allegations in the Operative Complaint have merit or that CLASSIC DISTRIBUTING has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that CLASSIC DISTRIBUTING's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, CLASSIC DISTRIBUTING reserves the right to contest certification of any class for any reasons, and CLASSIC DISTRIBUTING reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest CLASSIC DISTRIBUTING's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

13.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, CLASSIC DISTRIBUTING and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, CLASSIC DISTRIBUTING and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

13.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

13.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the

Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

13.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and CLASSIC DISTRIBUTING, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

13.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

13.7 No Prior Assignments. The Parties separately 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 and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

13.8 No Tax Advice. Neither Plaintiffs, Class Counsel, CLASSIC DISTRIBUTING nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

13.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

13.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

13.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

13.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

13.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

13.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by CLASSIC DISTRIBUTING in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be

used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from CLASSIC DISTRIBUTING unless, prior to the Court's discharge of the Administrator's obligation, CLASSIC DISTRIBUTING makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

13.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

13.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

13.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

James Hawkins APLC
9800 Research Dr, Suite 200
Irvine, CA 92618

To Classic Distributing & Beverage Inc.:

St. John, Brennan & Folan LLP
370 Crenshaw Blvd., Suite E206
Torrance, California 90503

13.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

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13.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

For Plaintiff Rubero

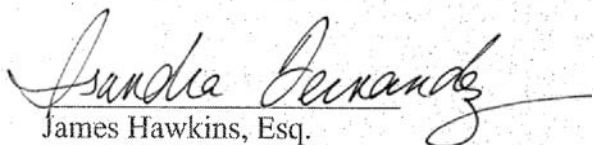
For CLASSIC DISTRIBUTING



For Plaintiff Aguilar

Counsel for Plaintiffs

Counsel for Classic Distributing & Beverage, Inc.



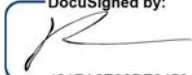
James Hawkins, Esq.
Isandra Fernandez, Esq.



Steven Brennan, Esq.

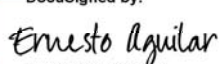
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For Plaintiff Rubero

DocuSigned by:

491EA3E30DE6450...

For CLASSIC DISTRIBUTING

For Plaintiff Aguilar

DocuSigned by:

67C0BA5048CD476...

Counsel for Plaintiffs

Counsel for Classic Distributing & Beverage, Inc.

James Hawkins, Esq.
Isandra Fernandez, Esq.

Steven Brennan, Esq.

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

(Rubero v. Classic Distributing, Case No. 20STCV38353)

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Classic Distributing & Beverage, Inc. (abbreviate name; “CLASSIC DISTRIBUTING” is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by former CLASSIC DISTRIBUTING employees Nathaniel Rubero and Ernesto Carranza Aguilar (“Plaintiffs”) and seeks payment of (1) back wages [and other relief] for a class of [e.g., hourly] employees (“Class Members”) who worked for CLASSIC DISTRIBUTING during the Class Period (10/5/19 to 6/30/22); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all non-exempt employees who worked for CLASSIC DISTRIBUTING during the PAGA Period (10/5/19 to 6/30/22) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring CLASSIC DISTRIBUTING to fund Individual Class Payments, and (2) a PAGA Settlement requiring CLASSIC DISTRIBUTING to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on CLASSIC DISTRIBUTING’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ _____ (less withholding) and your Individual PAGA Payment is estimated to be \$ _____**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to CLASSIC DISTRIBUTING’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on CLASSIC DISTRIBUTING’s records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ pay periods** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires CLASSIC DISTRIBUTING to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against CLASSIC DISTRIBUTING.

If you worked for CLASSIC DISTRIBUTING during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) Do Nothing. You don’t have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member,

though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against CLASSIC DISTRIBUTING.

(2) Opt-Out of the Class Settlement. You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against CLASSIC DISTRIBUTING, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

CLASSIC DISTRIBUTING will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against CLASSIC DISTRIBUTING that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is [REDACTED]	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. CLASSIC DISTRIBUTING must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [REDACTED]	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the [REDACTED] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [REDACTED]. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally

	object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by 	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many PAGA Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Pay Periods you worked according to CLASSIC DISTRIBUTING's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by . See Section 4 of this Notice.

1.WHAT IS THE ACTION ABOUT?

Plaintiffs are former CLASSIC DISTRIBUTING employees. The Action accuses CLASSIC DISTRIBUTING of violating California labor laws by failing to pay minimum wages, timely wages, and employee expenses, and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiffs are represented by attorneys in the Action: James Hawkins, Esq. and Isandra Fernandez, Esq. of James Hawkins APLC. ("Class Counsel.")

CLASSIC DISTRIBUTING strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2.WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether CLASSIC DISTRIBUTING or Plaintiffs is correct on the merits. In the meantime, Plaintiffs and CLASSIC DISTRIBUTING hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and CLASSIC DISTRIBUTING have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, CLASSIC DISTRIBUTING does not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) CLASSIC DISTRIBUTING has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. CLASSIC DISTRIBUTING Will Pay \$450,000 as the Gross Settlement Amount (Gross Settlement). CLASSIC DISTRIBUTING has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, CLASSIC DISTRIBUTING will fund the Gross Settlement not more than 14 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

A. Up to \$150,000 (33.33% of the Gross Settlement] to Class Counsel for attorneys' fees and up to \$20,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

B. Up to \$10,000 to each Plaintiff as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiffs will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.

C. Up to \$12,000 to the Administrator for services administering the Settlement.

D. Up to \$30,000 for PAGA Penalties, allocated 75% to the LWDA/PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Pay Periods. Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiffs and CLASSIC DISTRIBUTING are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages ("Wage Portion") and 80% to interest and penalties ("Non-Wage Portion."). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs and CLASSIC DISTRIBUTING have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

If the monies represented by your check is sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [REDACTED], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [REDACTED] Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against CLASSIC DISTRIBUTING.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against CLASSIC DISTRIBUTING based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and CLASSIC DISTRIBUTING have agreed that, in either case, the Settlement will be void: CLASSIC DISTRIBUTING will not pay any money and Class Members will not release any claims against CLASSIC DISTRIBUTING.

8. Administrator. The Court has appointed a neutral company, Simpluris, Inc. (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks and/or PAGA Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

9. Participating Class Members' Release. After the Judgment is final and CLASSIC DISTRIBUTING has fully funded the Gross Settlement, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against CLASSIC DISTRIBUTING or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and ascertained in the course of the Action.

Except as set forth in Section 6.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period. ^{viii}

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and CLASSIC DISTRIBUTING has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against CLASSIC DISTRIBUTING, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against CLASSIC DISTRIBUTING or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases and Non-Participating Class Members are as follows:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will first divide the Net Settlement Amount assigning 60% to the Sales Associate Class and 40% to the Sales Representative Class. (This apportionment is due to the fact that the Sales Representatives previously received compensation for and waived several of their claims in the Action.) It will then calculate the Individual Class Payment for each member of the respective classes by (a) dividing the Net Settlement Amount assigned to that Class by the total number of Workweeks worked by all Participating Class Members in that Class during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks. As an example, if the Net Settlement Amount assigned to the Sales Associate Class is \$150,000, the total number of Sales Associate Workweeks is 17,000, the Administrator will divide 150,000 by 17,000, resulting in a per workweek value of \$8.82. The Administrator will then multiply that figure by each Participating Sales Associate Class Member's Workweeks. Following that, the Administrator will do the same for the Sales Representative Class using its share of the Net Settlement Amount, the total number of Sales Representative Workweeks, and each Participating Sales Representative Class Member's Workweeks.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$7,500 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.

3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in CLASSIC DISTRIBUTING's records, are stated in the first page of this Notice. You have until [REDACTED] to challenge the number of Workweeks and/or PAGA Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept CLASSIC DISTRIBUTING's calculation of Workweeks and/or PAGA Pay Periods based on CLASSIC DISTRIBUTING's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or PAGA Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and CLASSIC DISTRIBUTING's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Rubero v. Classic Distributing*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [REDACTED], or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and CLASSIC DISTRIBUTING are asking the Court to approve. At least 16 days before the [REDACTED] Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website [REDACTED] (url) or the Court's website [REDACTED] (url).

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is [REDACTED]**. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Rubero v. Classic Distributing* and include your name, current address, telephone number, and approximate dates of employment for CLASSIC DISTRIBUTING and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] (time) in Department 1 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LA Court Connect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website [REDACTED] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything CLASSIC DISTRIBUTING and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to [REDACTED] (specify entity)'s website at [REDACTED] (url). You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. [REDACTED]. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

Name of Attorney: James Hawkins, Esq., Isandra Fernandez, Esq.

Email Address: james@jameshawkinsaplc.com, isandra@jameshawkinsaplc.com

Name of Firm: JAMES HAWKINS APLC

Mailing Address: 9800 Research Dr, Suite 200, Irvine, CA 92618

Telephone: (949) 387-7200

Settlement Administrator:

Name of Company: _____

Email Address: _____

Mailing Address: _____

Telephone: _____

Fax Number: _____

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund  for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT 2

Matter Billing Detail

Report Date: 10/13/2023
 Report Time: 5:14PM
 Page: 1 of 3
 User ID: Mateo

JAMES HAWKINS APLC

Date Range: 01/01/1900 to 10/13/2023
 Client: CLASSICDIS2 - Nathaniel Rubero
 Matter: ARS007 - Classic Distributing Company- Nathaniel Rubero v. Classic

Date	Expense Code	Description	Debit	Credit	Billing Status	On Hold	Invoice Number	Check Number	Payee
		Balance Forward:	\$0.00						
10/05/2020	FF	Filing Fee- LWDA PAGA Notice Filing Fee	\$75.00		Unbilled				
10/05/2020	FST	First Legal Network - Complaint and Initial Docs (e-filed); Summons (e-filed); Complaint and Initial Docs (x2) (process serve) IN#30141510	\$2,072.32		Unbilled				
11/03/2020	FST	First Legal Network- Proof of Service, Notice of Minute Order ISC Order IN#30142879	\$105.90		Unbilled				
01/28/2021	FST	First Legal Network First Amended Class Action Complaint IN#30149229	\$57.85		Unbilled				
04/02/2021	FST	First Legal Network - Filing, stip to continue IN#30157230	\$74.25		Unbilled				
04/04/2021	CAS	Case Anywhere E-Service-System Access Fee & Document Service- In# 217580	\$84.00		Unbilled				
04/08/2021	CRT	Court Documents - 01.29.2021 Joint SC	\$6.60		Unbilled				
06/07/2021	FST	First Legal Network- Filed- Joint Report, Stip- IN#30162706	\$74.25		Unbilled				
06/09/2021	CCL	Court Call - 06.08.2021 Initial Status Conference for IYF	\$15.00		Unbilled				
07/03/2021	CAS	Case Anywhere E-Service- Service-System Access and Document Service Fee- In#225947	\$132.00		Unbilled				
09/02/2021	FST	First Legal Network - Filing, Joint report and stip IN#30172635	\$74.25		Unbilled				
10/05/2021	CAS	Case Anywhere E-Service - IN#234338	\$126.00		Unbilled				
11/28/2021	MED	Mediation Services Gig Kyriacou CK#9652	\$9,000.00		Unbilled				
01/05/2022	CAS	Case Anywhere E-Service - Invoice #242572	\$120.00		Unbilled				
01/26/2022	LRE	Legal Research - Research documents	\$76.69		Unbilled				
02/09/2022	LRE	Legal Research - Research documents	\$56.00		Unbilled				
02/25/2022	CRT	Court Documents - 02.25.22 needed to pull signed stip off docket	\$4.00		Unbilled				
03/11/2022	LRE	Legal Research- Research	\$44.00		Unbilled				
04/10/2022	CAS	Case Anywhere E-Service IN#250912	\$120.00		Unbilled				
07/18/2022	EXA	Expert Analysis- IN\$6362 CK#10112	\$6,125.00		Unbilled				

Matter Billing Detail

Report Date: 10/13/2023
Report Time: 5:14PM
Page: 2 of 3
User ID: Mateo

JAMES HAWKINS APLC

Date	Expense Code	Description	Debit	Credit	Billing Status	On Hold	Invoice Number	Check Number	Payee
08/12/2022	FST	First Legal Network- E-Filing: Ntc of Cont, Joint Report and Stip to Req IN#30209403	\$97.40		Unbilled				
08/16/2022	CAS	Case Anywhere E-Service - IN#259261	\$120.00		Unbilled				
11/07/2022	CAS	Case Anywhere E-Service - IN#267868	\$138.00		Unbilled				
02/03/2023	CAS	Case Anywhere E-Service IN#276415	\$120.00		Unbilled				
03/21/2023	FST	First Legal Network - E-Filing - Status Report, Proof of service IN# 30230586	\$145.89		Unbilled				
03/31/2023	FST	First Legal Network - E-Filing Notice of Errata, Declaration of James R Hawkins, Supplement to Motion for Preliminar IN# 30233810	\$163.60		Unbilled				
04/19/2023	CAS	Case Anywhere E-Service IN#285200	\$168.00		Unbilled				
07/03/2023	CAS	Case Anywhere E-Service IN# 294253	\$144.00		Unbilled				
10/05/2023	FF	Filing Fee - Estimated costs for case completion	\$360.00		Unbilled				
Total:			\$19,900.00	\$0.00					
Balance:			\$19,900.00						

Matter Billing Detail

JAMES HAWKINS APLC

Date	Expense Code	Description	Debit	Credit	Billing Status	On Hold	Invoice Number	Check Number	Payee
Total Fees Billed- - - - -			\$0.00						
Total Fees Unbilled : - - - - -			\$0.00						
Total Fees Received : - - - - -			\$0.00						
Total Soft Cost Billed : - - - - -			\$0.00						
Total Soft Cost Unbilled : - - - - -			\$0.00						
Total Soft Cost Received : - - - - -			\$0.00						
Total Hard Cost Billed : - - - - -			\$0.00						
Total Hard Cost Unbilled : - - - - -			\$19,900.00						
Total Hard Cost Received : - - - - -			\$0.00						
Total Taxes Billed : - - - - -			\$0.00						
Total Taxes Unbilled : - - - - -			\$0.00						
Total Taxes Received : - - - - -			\$0.00						
Total Late Charges Billed : - - - - -			\$0.00						
Total Late Charges Unbilled: - - - - -			\$0.00						
Total Late Charges Received : - - - - -			\$0.00						
Trust Balance: - - - - -			\$0.00						

EXHIBIT 3

2011 NLJ Billing Survey

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Firm Name	Principal Location	Average FTE Attorneys	Firmwide Billing Rate Average	Firmwide Billing Rate Med	Partner Billing Rate High	Partner Billing Rate Low	Partner Billing Rate Average	Partner Billing Rate Med	Assoc. Billing Rate High	Assoc. Billing Rate Low	Assoc. Billing Rate Average	Assoc. Billing Rate Med
Andrews Kurth	Houston	355										
Baker, Donelson, Bearman, Caldwell & Berkowitz	Memphis	527	\$311	\$310	\$595	\$250	\$357	\$345	\$315	\$160	\$228	\$225
Best, Best & Krieger	Riverside, CA	195	\$358	\$360	\$575	\$275	\$417	\$420	\$375	\$205	\$265	\$240
Bingham McCutchen	Boston	901										
Briggs and Morgan	Minneapolis	185			\$625	\$325			\$305	\$230		
Broad and Cassel	Orlando	160	\$377	\$350	\$575	\$295	\$435	\$395	\$350	\$180	\$265	\$265
Bryan Cave	St. Louis	908	\$475	\$460	\$795	\$375	\$565	\$553	\$540	\$200	\$356	\$360
Butzel Long	Detroit	176			\$700	\$325	\$440		\$425	\$225	\$274	
Cadwalader, Wickersham & Tait	New York	481										
Carlton Fields	Tampa	270	\$397	\$400	\$815	\$320	\$470	\$470	\$380	\$195	\$262	\$265
Cozen O'Connor	Philadelphia	504	\$439	\$410	\$900	\$305	\$510	\$490	\$550	\$225	\$330	\$330
Day Pitney	Parsippany	324	\$447	\$450	\$960	\$380	\$537	\$525	\$470	\$235	\$317	\$315
Dickinson Wright	Detroit	229			\$600	\$325			\$320	\$200		
Dickstein Shapiro	Washington	335	\$560	\$550	\$1,000	\$540	\$680	\$670	\$545	\$225	\$435	\$465
Dinsmore &	Cincinnati		\$308	\$295	\$630	\$150	\$373	\$370	\$310	\$130	\$217	\$220

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Shohl		407										
DLA Piper	New York	3,348	\$585	\$615	\$1,120	\$530	\$747	\$730	\$730	\$320	\$508	\$510
Dorsey & Whitney	Minneapolis	567	\$426	\$405	\$810	\$295	\$526	\$525	\$465	\$190	\$294	\$275
Duane Morris	Philadelphia	629	\$503	\$500	\$875	\$375	\$575	\$570	\$530	\$225	\$365	\$365
Dykema Gossett	Detroit	333	\$406	\$400	\$665	\$310	\$482	\$485	\$395	\$260	\$309	\$305
Epstein Becker & Green	New York	300	\$428	\$425	\$850	\$350	\$519	\$500	\$550	\$195	\$341	\$325
Fitzpatrick, Cella, Harper & Scinto	New York	168			\$730	\$460		\$525	\$440	\$275		\$325
Ford & Harrison	Atlanta	173										
Fox Rothschild	Philadelphia	450	\$413	\$420	\$725	\$325	\$486	\$483	\$455	\$190	\$297	\$295
Frost Brown Todd	Cincinnati	401	\$296	\$295	\$515	\$205	\$340	\$340	\$265	\$150	\$200	\$200
Gardere Wynne Sewell	Dallas	265	\$435	\$450	\$815	\$380	\$550	\$550	\$500	\$225	\$325	\$320
Gibbons	Newark	199	\$505	\$450	\$725	\$400	\$563	\$505	\$475	\$285	\$380	\$320
Harris Beach	Rochester	176			\$390	\$275			\$260	\$160		
Hiscock & Barclay	Syracuse	174	\$269	\$240	\$750	\$195	\$304	\$265	\$350	\$150	\$207	\$195
Hodgson Russ	Buffalo	199			\$685	\$240	\$378	\$360	\$420	\$180	\$234	\$225
Holland & Knight	Washington	910	\$445	\$455	\$895	\$300	\$530	\$520	\$495	\$175	\$295	\$290

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Hughes Hubbard & Reed	New York	300	\$633	\$615	\$990	\$625	\$828	\$800	\$695	\$270	\$538	\$510
Hunton & Williams	Richmond	855										
Husch Blackwell	St. Louis	551	\$341	\$340	\$850	\$225	\$395	\$390	\$425	\$175	\$226	\$210
Jackson Kelly	Charleston, WV	170	\$275	\$275	\$505	\$255	\$319	\$325	\$260	\$155	\$208	\$205
Jackson Lewis	White Plains	614										
Kaye Scholer	New York	425	\$661	\$665	\$1,080	\$685	\$831	\$835	\$705	\$310	\$519	\$525
Kelley Drye & Warren	New York	321	\$474	\$400	\$925	\$480	\$634	\$645	\$595	\$275	\$425	\$420
Knobbe Martens Olson & Bear	Irvine	268	\$439	\$415	\$735	\$415	\$525	\$500	\$495	\$295	\$346	\$345
Lane Powell	Seattle	180	\$405	\$425	\$645	\$340	\$460	\$450	\$360	\$225	\$295	\$285
Latham & Watkins	New York	1,931										
Lathrop & Gage	Kansas City, MO	281	\$337	\$340	\$735	\$275	\$390	\$390	\$410	\$205	\$246	\$245
Lewis, Rice & Fingersh	St. Louis	162	\$275		\$470	\$270			\$320	\$150		
Lowenstein Sandler	Roseland, NJ	249	\$478	\$480	\$895	\$435	\$613	\$595	\$660	\$250	\$400	\$390
Manatt, Phelps & Phillips	Los Angeles	322	\$602	\$620	\$850	\$540	\$676	\$670	\$550	\$215	\$464	\$500
McElroy, Deutsch,	Morristown, NJ	272	\$245	\$275	\$575	\$295	\$350	\$375	\$325	\$185	\$250	\$235

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Mulvaney & Carpenter												
McKenna Long & Aldridge	Atlanta	425	\$472	\$455	\$800	\$405	\$562	\$540	\$510	\$215	\$374	\$375
Michael Best & Friedrich	Milwaukee	208	\$321	\$310	\$650	\$245	\$413		\$310	\$205	\$241	
Miller & Martin	Chattanooga	184	\$313	\$325	\$610	\$240	\$369	\$375	\$275	\$185	\$215	\$215
Nelson Mullins Riley & Scarborough	Columbia, SC	399	\$318	\$310	\$850	\$220	\$412	\$400	\$350	\$170	\$255	\$250
Nexsen Pruet	Columbia, SC	178			\$550	\$235			\$265	\$170		
Orrick, Herrington & Sutcliffe	San Francisco	1,022										
Patton Boggs	Washington	512	\$546	\$540	\$990	\$410	\$659	\$645	\$570	\$240	\$410	\$415
Pepper Hamilton	Philadelphia	459			\$825	\$380	\$557		\$460	\$235	\$344	
Perkins Coie	Seattle	693	\$462		\$875	\$285	\$550	\$545	\$590	\$215	\$368	
Phelps Dunbar	New Orleans	280	\$236	\$225	\$465	\$190	\$281	\$275	\$245	\$150	\$189	\$190
Polsinelli Shughart	Kansas City, MO	466			\$630	\$275			\$335	\$205		
Reed Smith	Pittsburgh	1,449										
Saul Ewing	Philadelphia	220	\$431	\$450	\$750	\$350	\$502	\$490	\$495	\$245	\$326	\$300
Schulte Roth	New York		\$615	\$630	\$935	\$770	\$846	\$840	\$675	\$285	\$608	\$580



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Firm Name	Principal Location	Average FTE Attorneys	Firmwide Billing Rate Average	Firmwide Billing Rate Med	Partner Billing Rate High	Partner Billing Rate Low	Partner Billing Rate Average	Partner Billing Rate Med	Assoc. Billing Rate High	Assoc. Billing Rate Low	Assoc. Billing Rate Average	Assoc. Billing Rate Med
Winstead	Dallas	265	\$406		\$680	\$365	\$477		\$410	\$215	\$301	
Winston & Strawn	Chicago	868	\$557	\$550	\$1,130	\$580	\$713	\$700	\$600	\$350	\$434	\$413
Wyatt, Tarrant & Combs	Louisville	181	\$312	\$350	\$500	\$240	\$325	\$375	\$275	\$180	\$220	\$235