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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 MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

Date: April 19, 2023
Time: 10:30 a.m.
Dept.: 1

DECLARATION OF JAMES R. HAWKINS

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 Eduardo Rivera (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. 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, inter alia, 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 Labor Code Private Attorney General Act.

5. Throughout this litigation, Defendant (hereinafter “Defendant” or “Classic Distributing”) 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.

6. To date, no motion for class certification has been filed, no class has been

1 certified and the Court has not made any findings that Classic Distributing engaged in any
2 wrongdoing or in violation of any state law, rule or regulation, with respect to the issues
3 presented in the litigation.

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

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

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

17 10. After the mediation, the parties continued in settlement negotiations, with the
18 assistance of the mediator. On or about July 14, 2022, the parties reached a settlement in
19 principle of this Action for a maximum settlement amount of \$450,000.

20 11. The final terms and provisions of the settlement agreement were approved and
21 executed by all the parties on or about February 7, 2023. (A true and correct copy of the Class
22 and PAGA Settlement Agreement ("Settlement Agreement") is attached hereto as Exhibit A.)

23 12. Based on their own respective independent investigations and evaluations and
24 after taking into account the sharply disputed factual and legal issues involved in this matter, the
25 risks attending further prosecution in light of certification issues faced due to the *Brinker Rest.*
26 *Corp. v. Super. Ct.*, (2012) 53 Cal. 4th 1004 ("*Brinker*") decision, the discovery and
27 investigation conducted to date, Plaintiffs and their counsel are of the opinion that settlement for
28

1 the consideration and on the terms set forth in the Settlement Agreement is fair, reasonable and
2 adequate and is in the best interests of the named Plaintiffs and Class Members.

3 13. I have a great deal of experience in wage and hour class action litigation. I have
4 obtained certification of several classes, I have been approved as class counsel in many other
5 wage/hour class actions, and I am currently litigating numerous others. Although not an all-
6 inclusive list, over the years I have prosecuted the following class action matters as lead and/or
7 co-lead counsel, all of which implicated similar law and facts to those associated with this action:

8 a. *Aguilar v. 7-Eleven, Inc., et. al.*, Orange County Superior Court- Case No.: 30-
9 2009-00268714-CU-OE-CXC. Certified Wage and Hour Class action seeking premium wages
10 for meal period and rest periods and resultant penalties. Class Notice pending.

11 b. *Carey, et. al. v. Arthur J. Gallagher, et. al.*, USDC, SOUTHERN DISTRICT-
12 Case No.: 09-cv-0168. Wage and Hour Class action seeking past wages of overtime for mis-
13 classification of insurance claims adjusters employed by Gallagher Bassett, a third-party
14 administrator (TPA) in the State of California. Certification granted. Plaintiffs' counsel co-lead
15 counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

16 c. *Dao v. 3M Company, et al.* USDC, CENTRAL DISTRICT, Case No. CV-08-
17 04554. Wage and Hour Class Action case seeking past wages for "off the clock", overtime and
18 meal and rest break violations for production workers in the State of California. Plaintiff's
19 Counsel appointed as Lead Counsel. Case settled, Final Approval granted, no objections and
20 funds fully distributed.

21 d. *Ortiz v. Kmart*, USDC, CENTRAL DISTRICT, Case No. SACV 06-638 ODW.
22 Wage and Hour Class Action case seeking past wages for meal and rest period violations for
23 retail employees in the State of California. Plaintiff's counsel appointed co-lead counsel. Case
24 settled, Final Approval granted, no objections and funds fully distributed.

25 e. *Morgan v. Aramark Campus, LLC*, USDC, CENTRAL DISTRICT, Case No.
26 SACV08-00412. Wage and Hour Class Action case seeking past wages for meal and rest period
27 violations for retail employees in the State of California. Plaintiff's Counsel appointed as Lead
28 Counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

1 f. *West v Iron Mountain Information Management, Inc, et. al.*; Los Angeles
2 County Superior Court, Case No. BC393709. Wage and Hour Class Action seeking past wages
3 for overtime, meal and rest break violations for driver employees in the State of California.
4 Settlement for “binding arbitration.” Arbitration Award for Plaintiff Class. Arbitration Award
5 confirmed. Plaintiff’s counsel, lead trial counsel and class counsel.

6 g. *Gonzalez v. Superior Industries Inter, Inc., et al.*, Los Angeles County Superior
7 Court, Case No. BC 357912. Wage and Hour Class Action seeking past wages for overtime,
8 meal and rest breaks violations for production employees in the State of California. Plaintiff’s
9 counsel appointed as lead counsel. Case settled, Final Approval granted, no objections and funds
10 fully distributed.

11 h. *Acosta v. Fleetwood Travel Trailers of California, Inc., et al.*, Riverside County
12 Superior Court, Case No. RIC 440630. Wage and Hour Class Action seeking past wages for
13 overtime, meal and rest break violations for production employees in the State of California.
14 Plaintiff’s counsel appointed as co-lead counsel. Case settled, Final Approval granted, no
15 objections and funds fully distributed.

16 i. *Walker v. Sharkeez, et al.*, Orange County Superior Court, Case No.
17 05CC00293. Wage and Hour Class Action seeking past wages for unlawful deductions, meal and
18 rest break violations for restaurant employees in the State of California. Plaintiff’s counsel
19 appointed as lead counsel. Case settled, Final Approval granted and funds fully distributed.

20 j. *Padron v. Universal Protection Service, et al*, Orange County Superior Court,
21 Case No. 05CC00013. Wage and Hour Class Action seeking past wages for overtime, meal and
22 rest break violations for security officers in the State of California. Plaintiff’s counsel appointed
23 as co-lead counsel. Case settled, Final Approval granted, no objections and funds fully
24 distributed.

25 k. *Martinez v. Securitas Security Services USA, et al.*, Santa Clara Superior Court,
26 Case No. 105-CV047499, et al. J.C.C.P. No. 4460. Wage and Hour Class Action seeking past
27 wages for meal and rest break violations for security officers employed by defendant in the State
28

1 of California. Plaintiff's counsel and co-counsel. Case settled, Final Approval granted and
2 funds fully distributed.

3 l. *Velasquez-Lopez v. Hotel Cleaning Services, Inc.* et al., Riverside Superior Court,
4 Case No. RIC 420909. Wage and Hour Class Action seeking past wages for overtime, meal and
5 rest break violations for housekeepers employed by defendant in the State of California.
6 Plaintiff's counsel appointed as lead counsel. Case settled, Final Approval granted, no
7 objections and funds fully distributed.

8 m. *Ruiz, et al. v. Unisource Worldwide, Inc., et al.*, USDC, CENTRAL DISTRICT,
9 Case No. CV09-05848. Wage and Hour Class Action seeking past wages for meal and rest
10 period violations for non-exempt employees employed by defendant in the state of California.
11 Case settled. Awaiting Preliminary Approval hearing. Plaintiff has petitioned the Court for
12 Lead Counsel.

13 n. *Herrador v. Culligan International Company, et al.*, USDC, CENTRAL
14 DISTRICT, Case No. SACV 08-680. Wage and Hour Class Action seeking past wages for field
15 and branch employees of defendant in the State of California. Plaintiff's counsel appointed as
16 lead counsel. Case settled and awaiting Final Approval.

17 o. *Defries v. Domain Restaurants, et al.*, Orange County Superior Court, Case No.
18 05CC00128. Wage and Hour Class Action seeking past wages for restaurant employees of
19 defendant in the State of California. Plaintiff's counsel appointed as lead counsel. Case settled,
20 Final Approval granted, no objections and funds fully distributed.

21 p. *Denton v. BLB Enterprises, Inc., et al.*, Orange County Superior Court, Case No.
22 07CC01292. Wage and Hour Class Action seeking unpaid overtime, meal and rest break
23 violations for security guards employed by defendant in the State of California. Plaintiff's
24 counsel appointed as lead counsel. Case settled, Final Approval granted, no objections and funds
25 fully distributed.

26 q. *Rios v. Sandberg Furniture Manufacturing Co., Inc.* et al., Los Angeles Superior
27 Court, Case No. BC411477. Wage and Hour Class Action seeking unpaid meal and rest break
28 violations for production employees employed by defendant in the State of California. Plaintiff

1 counsel appointed as lead counsel. Case settled, Final Approval granted, no objections and funds
2 fully distributed.

3 r. *McMurray v. Dave and Busters, Inc.*, et al., Orange County Superior Court, Case
4 No. 06CC00099. Wage and Hour Class Action seeking past wages for meal and rest break
5 violations for restaurant employees employed by defendant in the State of California. Plaintiff's
6 counsel appointed as co-lead counsel. Case settled, Final Approval granted, no objections and
7 funds fully distributed.

8 s. *Osuna v. DFG Restaurants, Inc.*, et al., Los Angeles Superior Court, Case No.
9 BC 330145. Wage and Hour Class Action seeking past wages of overtime for mis-classification
10 of managers employed by Defendant, DBA Carl's Jrs. in the State of California. Plaintiff's
11 counsel appointed as co-lead counsel. Case settled, Final Approval granted, no objections and
12 funds fully distributed.

13 t. *Burns v. Gymboree Operations, Inc.*, et al., San Francisco Superior Court, Case
14 No. CGC-07-461612. Wage and Hour Class Action seeking past wages for meal and rest break
15 violations for retail employees employed by defendant in the State of California. Plaintiff's
16 counsel appointed lead counsel. Case settled, Final Approval granted, no objections and funds
17 fully distributed.

18 u. *Willems v. Diedrich Coffee, Inc.*, et al., Orange County Superior Court, Case No.
19 07CC00015. Wage and Hour Class Action seeking past wages of overtime for mis-classification
20 of managers employed by Defendant in the State of California. Plaintiff's counsel appointed
21 lead counsel. Case settled, Final Approval granted, no objections and funds fully distributed.

22 v. *Davila, et al. v. Beckman Coulter, Inc.*, et al., Orange County Superior Court,
23 Case No. 07CC01347. Wage and Hour Class Action seeking past wages for overtime, meal and
24 rest break violations for production workers employed by defendant in the State of California.
25 Plaintiff's counsel appointed lead counsel. Case settled; final approval granted; no objections
26 and funds fully distributed.

27 w. *Perez v. Naked Juice Company of Glendora, Inc.*, Los Angeles Superior Court,
28 Case No. BC387088. Wage and Hour Class Action seeking past wages for overtime, meal and

1 rest period violations for production employees employed by defendant in the State of California.
2 Plaintiff counsel appointed as lead counsel. Case settled, Final Approval granted, no objections
3 and funds fully distributed.

4 14. Ms. Fernandez, my co-counsel on this matter, has been a member of the Florida Bar
5 since January 1996 and member of the California Bar since August 2002. Ms. Fernandez has
6 specialized in employment related litigation including complex wage and hour civil litigation
7 since 2003. Ms. Fernandez has been, and currently is, co-counsel in over 40 wage and hour class
8 action litigations for our firm and has produced excellent results for this firm's clients in the
9 wage and hour class actions.

10 15. Mr. Dacre, also my co-counsel on this matter, has been practicing law in
11 California since 1997 and joined the James Hawkins, APLC law firm in February 2022, and now
12 exclusively litigates plaintiff-related wage and hour class action cases. He has been involved in
13 litigating, mediating and settling numerous wage and hour class actions dealing with class sizes
14 ranging from several hundred to several thousand class members in both State and Federal
15 courts.

16 16. Ms. Fernandez and Mr. Dacre have been and currently are, co-counsel in over 50
17 wage and hour class actions for our firm and have produced excellent results for this firm's
18 clients in the wage and hour class actions

19 17. Classic Distributing denies Plaintiffs' allegations and maintains that Class
20 Members were provided with the opportunity to take all meal and rest periods to which they
21 were entitled. Classic Distributing also maintained that Plaintiffs' claims were improper for class
22 treatment.

23 18. Based on documents and information produced by Defendant in discovery, in
24 preparation for mediation and during settlement negotiations, Plaintiffs' counsel estimated a
25 maximum potential liability as follows:

26 a. Failure to Pay Wages for All Hours Worked

27 From the records provided, and based on Defendant's representation, Plaintiffs
28 understood the average hourly rate of pay for the Sales Representatives to be approximately

1 \$19.63 and for Sales Associates to be approximately \$16.17. During the Class Period, the Sales
2 Associates worked a collective total of approximately 17,000 workweeks/66,300 shifts and the
3 Sales Representative worked a total of approximately 13,350 workweeks/52,065 shifts.
4 Plaintiffs calculated the estimated, potential maximum value for this claim based on an allocated
5 45 minutes of underpaid overtime per shift as \$2,355,227 (Sales Associates \$24.25 hourly
6 overtime rate x .75 x 66,300 = \$1,205,831 plus Sales Representatives \$29.44 hourly overtime rate
7 x .75 x 52,056 shifts = \$1,149,396). Taking into consideration the nature of the claim and
8 Defendant's defenses thereto including the inability to establish the violation with respect to all
9 of the Class Members, this claim was valued in the 15% to 10% violation rate and thus between
10 an estimated maximum of \$353,284 and \$235,523 for purposes of settlement.

11 Plaintiffs' claim for failure to pay wages owed is based on allegations that they and Class
12 Members worked "off the clock" to complete certain tasks for which they did not receive
13 compensation. During the liability period, Plaintiffs contend that they and Class Members were
14 required to work during their meal periods by taking calls from management and/or clients. As
15 Sales Representatives, Plaintiffs allege that they were required to answer calls from their
16 managers and clients while they were off the clock at the end of their shifts. Plaintiffs contend
17 that they and Class Members were not compensated for this "off the clock" work and thus not
18 paid all lawful wages owed including overtime and/or minimum wage.

19 Defendant adamantly disputes Plaintiffs' allegations that employees were required to
20 perform any work "off the clock" during meal breaks and/or at the end of their shifts and claimed
21 that Plaintiffs lacked evidence of any "off the clock" work. Further, Defendant asserts that this
22 claim would be difficult to certify given the predominance of the individualized inquiry as to the
23 whether, and to what extent, each Class Member performed work "off the clock."

24 b. Meal Period Claim

25 The meal period violation claim is based primarily on Classic Distributing's alleged
26 failure to provide an uninterrupted 30-minute meal break by the end of the fifth hour, and were
27 not compensated one hour of pay at their regular rate of compensation for each workday that a
28 meal period was not lawfully provided. Further, when Plaintiffs and class members worked shifts

1 in excess of ten hours, they were not provided with a second thirty-minute meal break. Also,
2 premiums paid to Plaintiff Rubero and the sales representatives were also underpaid to the extent
3 that Defendant used the base hourly rate and not the correct regular rate as per *Ferra v. Lowes*
4 *Hollywood Hotel, LLC*, (2021) 11 Cal. 5th 858.

5 Classic Distributing disputes this claim and contends it provided compliant meal breaks.
6 The maximum estimated liability for the meal break claim, based on a 100% violation is
7 \$2,094,107 (66,3000 shifts x \$16.17 = \$1,072,071 plus 52,065 shifts x \$19.63 = \$1,022,036)
8 which assumes a meal break violation during every work shift. However, taking into
9 consideration the nature of the claim, Defendant's defenses and certification issues faced due to
10 *Brinker*, for purposes of settlement, the meal break claim was valued between and estimated
11 maximum of \$209,411 (10%) and \$104,705.35 (5%).

12 c. Rest Period Claim

13 The rest period violation claim is primarily based on allegations that, as with the meal
14 breaks, due to the workload, policies, and practices of Defendant, Plaintiffs and Class Members
15 during the liability period, were required to work without being permitted or authorized to take
16 compliant rest breaks. Additionally, Plaintiffs alleged that they and Class Members worked
17 more than 10 hours a day without receiving a third ten-minute rest break. Classic Distributing
18 disputes Plaintiffs' rest break claim and contends that Class Members were allowed to take ten
19 minute rest periods and regularly took such breaks. Taking into consideration the nature of the
20 claim, Defendant's defenses and certification issues faced due to *Brinker*, for purposes of
21 settlement, the rest break claim was valued between an estimated maximum of \$209,441 (10%)

22 d. Failure to Reimburse Employee Expenses

23 This claim is based on Plaintiffs' allegations that, during the Class Period, they and Class
24 Members were required to use their personal phones in the performance of their job duties. For
25 example, Plaintiffs and Class Members were required to clock in and out for their shifts and meal
26 breaks on the MobileCast App. It appears that some Class Members were required to download
27 the App onto their personal phones while others, the Sales Representatives in particular, had
28 work phones issued to them. Nevertheless, Plaintiffs and other Class Members were still

1 frequently contacted on their personal phones, especially when not on the clock and if they could
2 not be reached on the work phone. Plaintiffs and Class Members did not receive any
3 reimbursement from Defendant for the use of their personal phones in the performance of their
4 job duties.

5 Defendant disputes this allegation and contends that the Class Members were not
6 required to use their personal phones in the performance of their job duties and, in fact, were
7 issued company phones. The estimated maximum liability assuming \$10 per month is \$97,690.
8 Upon further review and evaluation of the facts and circumstances surrounding this claim and
9 taking into consideration that it would require individualized inquiries into whether and to what
10 extent Class Members used their personal phones, this claim was valued in the range of from 1%
11 to 0% violation rate and therefore between an estimated maximum of \$977 and \$0.

12 e. Lab. Code § 226 Claim (failure to provide accurate itemized wage statements)

13 Under Lab. Code § 226(e), an employee suffering “injury as a result of a knowing and
14 intentional failure by an employer” to provide accurate wage statements is entitled to \$50 for the
15 initial violation and \$100 for each subsequent violation up to \$4,000. Classic Distributing denies
16 that it provided inaccurate wage statements. Further, Classic Distributing argues that, if any wage
17 statements were in fact inaccurate, they did not “knowingly and intentionally” fail to provide
18 accurate statements and that Plaintiffs and the class did not suffer any “injury” from such
19 inaccurate wage statements.

20 Per information provided by Defendants, Plaintiffs believe there were 614 Class
21 Members working during the relevant time period. Thus, if a calculation is performed using the
22 maximum exposure permitted per Class Member under Labor Code section 226, this amounts to
23 a maximum exposure for Defendant of \$2,456,000 (614 Class Members x \$4,000 penalties).
24 However, some of the Class Members working during the relevant time period may have worked
25 for only one pay period during the relevant time period and some may have worked for tens of
26 pay periods. For purposes of settlement negotiations, said claim was valued between an
27 estimated maximum of \$491,200 (20%) and \$0.

28 f. Failure to Time Pay Wages

1 With respect to Lab. Code §203 claim, there were an estimated total of 382 former Class
2 Members to whom this claim applied and an estimated maximum potential liability of \$402,350.
3 The estimated maximum potential liability was determined to be \$1,575,502 based on the
4 following: The estimated average daily pay rate of \$129.36 for Sales Associates x 30 days=
5 \$3,881 x 270 Class Members = \$1,047,870 plus the estimated average daily rate of \$157.04 for
6 Sales Representatives x 30 days = \$4,711 x 112 former Class Members = \$527,632.

7 Defendant once again defends that no unpaid wages are owed as Defendant did not
8 fail to pay the correct wages. Defendant further contends that its actions were not willful as
9 required for penalties to issue and that, thus, waiting time penalties cannot be awarded. For
10 purposes of settlement negotiations, said claim was valued between \$315,100 (20%) and
11 \$157,550 (10%).

12 g. Bus. & Prof. Code § 17200 Claim

13 The only remedies available under the unfair competition law (“UCL”) Business and
14 Professions Code Section 17200 et seq. are restitution and injunction, as opposed to damages
15 *Clark v. Superior Court*, (2010) 50 Cal. 4th 605, 610. The UCL provides that “[t]he court may
16 make such orders or judgments ... as may be necessary to restore to any person in interest any
17 money or property, real or personal, which may have been acquired by means of such unfair
18 competition.” (Bus. & Prof. Code, § 17203.) Restitution under the UCL includes “earned
19 wages.” *Cortez v. Purolator Air Filtration Prods. Co.*, (2000) 23 Cal. 4th 163, 177-78.

20 Restitution under the UCL is not available for all violations of the Labor Code. See
21 *Pineda v. Bank of Am., N.A.*, (2010) 50 Cal. 4th 1389, 1401-02. In *Pineda*, the California
22 Supreme Court held Labor Code § 203 is “not designed to compensate employees for work
23 performed [but] it is intended to encourage employers to pay final wages on time, and to punish
24 employers who fail to do so.” *Id.* Like Labor Code section 203, section 226 for wage statement
25 violations is also intended to “punish” the employer and is not an action brought to recover
26 wages. See *Gomez v. Jacobo Farm Labor Contractor, Inc.*, (2019) 334 FRD. 234, 267-268.

27 Here, Plaintiffs’ UCL claim is solely premised on the failure to pay lawful wages and
28 premium wages claims discussed above. Class Counsel assigned a zero-dollar value to the UCL

1 claim because it does not provide any additional value in this Action other than to increase the
2 statute of limitations to four years for the underlying claims. Those claims are valued and
3 analyzed above based on the four-year statute of limitations provided by the UCL. However, the
4 UCL claim in and of itself does not provide any additional damages. Therefore, there is no
5 additional or separate monetary value that this statute provides based on the facts of this Action.

6 h. Lab. Code § 2699 (PAGA Claim)

7 Plaintiffs' claims under PAGA are primarily predicated on or derivative of the rest and
8 meal break claims. The estimate maximum PAGA penalty was calculated as \$1,618,3000. This
9 figure attributes a \$100 penalty to each of the estimated 16,183 pay periods in scope during the
10 PAGA period. The figure also assumes that there is a 100% violation rate during the PAGA
11 period, such that every single pay period in question involved at least one Labor Code violation,
12 despite disputes regarding Defendant's liability. However, PAGA claims under the facts and
13 circumstance of this case may result in no award or at best a very minimal award by the trial
14 court. See specifically §2699(e)(2) which states in its pertinent part:

15 "... a court may award a lesser amount than the maximum civil penalty amount specified
16 by this part if, based on the facts and circumstances of the particular case, to do otherwise would
17 result in an award that is unjust, arbitrary and oppressive, or confiscatory."

18 For instance, in *Fleming v. Covidien*, 2011 U.S. Dist. LEXIS 154590 (C.D. Cal. 2011), a
19 federal court reduced PAGA penalties from \$2,800,000 to \$500,000, a reduction of 82.2%,
20 because the court found maximum penalties "unjust" because the employees had suffered no
21 injuries. Some trial courts have actually awarded no civil penalties, even when Labor Code
22 violations are established. See *Makabi v. Gedalia*, 2016 Cal. App. Unpub. 1489, *5-7 (2nd Dist.
23 Ct. of App. Mar. 6, 2016) (no PAGA penalties were awarded by the Los Angeles County
24 Superior Court) (unpublished decision); *In re Taco Bell Wage & Hour Actions*, 2016 U.S. Dist.
25 LEXIS 48557, *40-43 (E.D. Cal. Apr. 6, 2016) (PAGA penalties denied after trial).

26 In order to recover any PAGA penalties, Plaintiffs would be required at trial to prove
27 each of the underlying Labor Code violations. See *Cardenas v. McLane Foodservice, Inc.*, 2011
28 U.S. Dist. LEXIS 13126, *10 (C.D. Cal. 2011) ("Given the statutory language [of PAGA], a

1 plaintiff cannot recover on behalf of individuals whom the plaintiff has not proven suffered a
2 violation of the Labor Code by the defendant."). Here, Plaintiffs would need to prove that each
3 PAGA Aggrieved Employee suffered all violations for each pay period the employee worked. As
4 discussed herein, the nature of the PAGA based claims (i.e. rest break, meal period, wage
5 statement, failure to pay all wages owed and to timely pay wages) and Defendant's asserted
6 defenses thereto present a risk that some or all of the PAGA penalties sought may not be
7 awarded. Given the nature of these claims, as analyzed above, Class Counsel believes it to be
8 likely that if there would be any award it would be a minimal amount. Therefore, the amount of
9 \$30,000 (which has been reserved for the PAGA claim) is both fair and reasonable.

10 19. Through their counsel, Plaintiffs took into consideration the significant risks that
11 class certification could be denied on the central claim, or that a merits decision on the central
12 claim would not favor the Class. Plaintiffs have considered the expense and length of continued
13 proceedings necessary to continue the Action against Classic Distributing, Inc. through trial and
14 any possible appeals. Plaintiffs are also aware of the burdens of proof necessary to establish
15 liability for the claims asserted in the Action, Classic Distributing's defenses thereto, and the
16 difficulties in establishing Plaintiffs' damages.

17 20. The proposed Settlement requires Defendant to pay each Class Member who does
18 not opt out a portion of the Net Settlement Amount as specifically set forth in the Settlement
19 Agreement. The amount to be paid to the Class is undoubtedly fair, adequate and reasonable
20 especially in light of the significant risk to Plaintiffs and Class Members in continuing with the
21 litigation and not prevailing on class certification or at trial.

22 21. The Settlement Agreement provides for an award to be paid to the Class
23 Representatives. The primary purpose is to provide Plaintiffs an enhancement payment, taking
24 into consideration the risks, time, effort and expenses incurred by him in coming forward to
25 provide invaluable information and negotiate and litigate this matter on behalf of all Class
26 Members. Plaintiffs has actively participated in this litigation by providing significant supporting
27 documents and information and assisting counsel in developing information necessary to litigate
28 and settle this case which has resulted in a favorable settlement for the putative Class Members.

1 22. Attached to the Settlement Agreement as Exhibit A is a true and correct copy of
2 the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court
3 Approval (“Class Notice”)

4 I declare under penalty of perjury that the foregoing is true and correct. Executed on this
5 28th day of March, 2023 at Irvine, California.

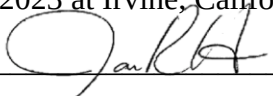
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7 _____
8 James R. Hawkins, Esq.

EXHIBIT A

***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 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.



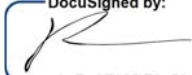
James Hawkins, Esq.
Isandra Fernandez, Esq.



Steven Brennan, Esq.

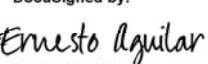
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For Plaintiff Rubero

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For CLASSIC DISTRIBUTING

For Plaintiff Aguilar

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Counsel for Plaintiffs

Counsel for Classic Distributing & Beverage, Inc.

James Hawkins, Esq.
Isandra Fernandez, Esq.

Steven Brennan, Esq.

EXHIBIT A

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.