

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement”) is reached by and between Plaintiffs Gerardo Torres and Tawni Vandagriff (hereinafter “Torres Plaintiffs”) and Plaintiff John Hardin (hereinafter “Hardin Plaintiff”), individually and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendant Rexel USA, Inc. (hereinafter “Defendant”), on the other hand. Torres Plaintiff and Harding Plaintiff are referred to herein collectively as “Plaintiffs.” Plaintiffs and Defendant are referred to herein collectively as the “Parties.” Plaintiffs and the Settlement Class are represented by Capstone Law APC and Lawyers for Justice (“Class Counsel”). Defendant is represented by Linda Claxton, David Szwarczstejn, and Armig Khodanian of Ogletree, Deakins, Nash, Smoak & Stewart, P.C.

On October 29, 2020, Plaintiffs Gerardo Torres and Tawni Vandagriff filed a wage and hour class action complaint in the Superior Court for the County of Stanislaus in the matter entitled *Torres, et al. v. Rexel USA, Inc., et al.*, Stanislaus Superior Court Case No. CV-20-0004823 (the “Action”). Defendant subsequently removed the Action to the Eastern District of California, where the Action was assigned Case No. 1:20-cv-01697. On April 12, 2021, the Torres Plaintiffs filed a First Amended Class Action Complaint and Enforcement Action under the Private Attorneys General Act (“FAC”) to add a cause of action for civil penalties under the Private Attorneys General Act of 2004 (“PAGA”). The FAC asserts eleven causes of action for alleged wage and hour violations including: unpaid overtime (including improper time punch rounding, pre-shift and post-shift off-the-clock work duties and work-related errands, work while clocked out during meal periods, and calculation of overtime wages without accounting for incentive pay, commission pay, nondiscretionary bonuses, fringe benefit pay, and/or other forms of remuneration); unpaid minimum wages (including the above off-the-clock circumstances to the extent they do not qualify for overtime pay, and off-the-clock drug testing, physical examinations, health screenings, temperature checks, and COVID-19 testing); failure to provide meal periods (including late, interrupted, shortened, and missed meal periods; calculation of meal period premium wages without accounting for bonuses and/or commissions); failure to authorize and permit rest periods (including an improper policy prohibiting employees from leaving work premises during rest periods; late, interrupted, shortened, and missed meal periods; and calculation of rest period premium wages without accounting for bonuses and/or commissions); non-compliant wage statements and failure to maintain payroll records (including failure to list correctly: gross wages earned, total hours worked, net wages earned, the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, the name and address of the legal entity that is the employer, all applicable hourly rates in effect during the pay period including overtime rates of pay, and the corresponding number of hours worked at each hourly rate; failing to list the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, failing to list all deductions, failing to list the inclusive dates of the period for which employees were paid, and failing to state all hours worked as a result of not recording or stating hours worked off-the-clock; the failure to list the employer name and address on final pay stubs; falsifying Plaintiffs’ and Subclass members’ time records by recording that compliant meal periods were taken regardless of if or when meal periods were actually taken, and thereby failed to keep accurate records of meal start and end times; and to maintain accurate payroll records showing the daily hours worked and the wages paid thereto as a result of failing to record the off-the-clock hours worked and improperly rounding punches); failure to timely pay wages

owed during employment and upon termination (including overtime wages, minimum wages, sick leave pay and/or meal and rest period premiums, including with respect to overtime, sick leave pay and/or meal and rest period premiums the alleged failure to pay these at the regular rate of pay); unreimbursed business expenses (including personal cell phone use, cellular data, mileage, expenses related to mandatory drug testing, physical examination, and COVID-19 testing); Civil Penalties for Violations of California Labor Code, Pursuant to PAGA, §§ 2698 *et seq.*; unlawful business practices under California Business & Professions Code sections 17200 *et seq.*; and unfair business practices under California Business & Professions Code sections 17200 *et seq.*

On August 5, 2021, Plaintiff John Hardin filed a wage and hour class action complaint against Rexel USA, Inc., Platt Electric Supply, Inc., Platt Electric Supply, and Rexel Inc. in the Superior Court for the County of Kern in the matter entitled *Hardin, et al. v. Platt Electric Supply Inc., et al.*, Kern Superior Court Case No. BCV-21-101808 (the “*Hardin Action*”). (Platt Electric Supply, Inc. and Rexel, Inc. ceased to exist as separate entities upon merger as of December 31, 2013 and December 31, 2017, respectively, and Platt Electric Supply is a trade name used by Defendant that does not exist as a separate legal entity from Defendant.) Defendant subsequently removed the *Hardin Action* to the Eastern District of California, where the *Hardin Action* was assigned Case No. 1:21-cv-01621. The Complaint in the *Hardin Action* pleads ten causes of action for: unpaid overtime, unpaid meal period premiums, unpaid rest period premiums, unpaid minimum wages, final wages time timely paid, wages not timely paid during employment, non-compliant wage statements, failure to keep requisite payroll records, unreimbursed business expenses, and violation of California Business & Professions Code sections 17200 *et seq.*

On June 24, 2022, the Parties in both actions attended a private mediation with Lou Marlin, Esq., and have reached a class-wide settlement which resolves the Action and the *Hardin Action*, subject to court approval.

Given the uncertainty of litigation, Plaintiffs and Defendant wish to settle both individually and on behalf of the Settlement Class. The Parties believe that the Settlement is fair, reasonable and adequate. The Settlement was arrived at through arm’s-length negotiations, taking into account all relevant factors. Accordingly, Plaintiffs and Defendant agree as follows:

1. Settlement Class or Class Member(s).

- A. For the purposes of this Settlement Agreement only, Plaintiffs and Defendant stipulate to the conditional certification of the following “Settlement Class”:

All current and former non-exempt hourly employees who worked for Defendant in the State of California at any time from October 29, 2016 through August 24, 2022.

- B. The “Class Period” is the time period between October 29, 2016 through August 24, 2022, inclusive.

2. Filing of Second Amended Complaint in the Action and Stay/Dismissal of *Hardin* Action. As a condition of this Settlement, Plaintiffs agree to file a Second Amended Class and Representative Action Complaint (“SAC”) in the Action to add Plaintiff Hardin as a named plaintiff and class representative. Plaintiffs will draft the SAC and provide a copy to Defendant within 7 days of the execution of this Agreement. Defendant will have 7 days to review, comment, and approve the SAC, prior to Plaintiffs filing of the same. After the SAC is filed in the Action, the Parties intend to seek approval of this Settlement in the Action. Within 3 court days of the filing of the SAC in the Superior Court for the County of Stanislaus, Plaintiff Hardin will file a Stipulation to stay proceedings in the Hardin Action pending finalization of the settlement approval process. Upon the granting of final approval in the Action, Plaintiff Hardin agrees to file a Stipulation of Dismissal of the Hardin Action.

3. Remand of the Action for Purposes of Settlement Only. As a condition of this settlement, the Parties stipulate to remand the Action to the Superior Court for the County of Stanislaus. The Parties stipulate that the Action will be remanded prior to when Plaintiffs file their Motion for Preliminary Approval of the Settlement Agreement. The Parties further stipulate to conditional class certification of the Settlement Class for the Class Period for purposes of settlement only. The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure or under Federal Rule of Civil Procedure 23. If for any reason this Settlement Agreement is not approved by the Court, fails to become effective, is reversed, withdrawn or modified by the Court, in any way prevents or prohibits Defendant from obtaining a complete resolution of the claims as described herein, the conditional class certification (obtained for any purpose) shall be void ab initio and of no force or effect, and shall not be admissible in the Action or the *Hardin* Action or in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural, the Action shall once again be removed to the Eastern District of California without prejudice to either party, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

4. Release by Class Members and Plaintiffs. In exchange for the consideration set for in this Settlement Agreement, Plaintiffs and every member of the Settlement Class (except those who opt out) will be deemed to have, and by operation of the Final Approval Order and Judgment, will have expressly and fully release and discharge Defendant, its business units, trade banners, (e.g. Platt Electric Supply, Gexpro, etc.), subsidiaries, parent and affiliated entities, predecessors, successors and assignees, and all of their past and present officers, directors, employees, and agents (collectively, the “Released Parties”), as follows:

- C. Class Members release any and all claims alleged in the SAC, the FAC in the Action, and the Complaint in the *Hardin* Action; and those claims that could reasonably have been alleged based on the facts alleged in the SAC, the FAC in the Action, and the Complaint in the *Hardin* Action, including: (a) failure to pay all overtime wages; (b) failure to pay all minimum wages; (c) failure to provide all meal periods, or premium pay for non-compliant meal periods; (d) failure to authorize and permit all rest periods, or premium pay for non-compliant rest periods; (e) failure to issue accurate, compliant, and itemized wage statements, and failure to maintain payroll records; (f) failure to timely pay all final wages; (g) failure to timely pay all wages due during employment; (h) unreimbursed

business expenses; (i) civil penalties under the Private Attorneys General Act of 2004 (“PAGA”) based on the preceding released claims; and (j) all claims for unlawful business practices and unfair business practices premised on the facts, claims, causes of action or legal theories of relief pled in the SAC, the FAC in the Action, and the Complaint in the *Hardin* Action (collectively, the “Released Claims”). The period of the Release shall extend to the limits of the Class Period.

- D. Plaintiffs Torres and Vandagriff release all claims for PAGA penalties against the Released Parties that could have been sought by the Labor Commissioner for the violations identified in Torres Plaintiffs’ November 5, 2020 and January 15, 2021 pre-filing PAGA letters to the Labor & Workforce Development Agency (“LWDA”) during the period from November 5, 2019 through August 24, 2022.
- E. In light of Plaintiffs’ Class Representative Enhancement Payments, and by operation of the Final Approval Order and Judgment, Plaintiffs will also release, in addition to the Released Claims described above, all claims, whether known or unknown, under federal law or state law against the Released Parties. Plaintiffs understand that this release includes unknown claims and that they are, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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

However, to the extent that Plaintiffs have claims that cannot be released as a matter of law (i.e., workers’ compensation claims), then those claims will not be released.

- 3. **Conditions Precedent.** This Settlement will become final and effective only upon the occurrence of all of the following events:
 - a. The Court enters an order granting preliminary approval of the Settlement;
 - b. The Court enters an order granting final approval of the Settlement and a Final Judgment;
 - c. If an objection has been filed, the date on which time to file an appeal of the Court’s grant of Final Approval has expired; or if an objection was filed and a Notice of Appeal of the Court’s grant of Final Approval of settlement was timely filed, then the date the appeal is finally resolved, with the final approval unaffected; and
 - d. Defendant does not invoke its right to revoke the Settlement as described in paragraph 11 (“Defendant’s Option to Revoke Settlement”) herein.

4. **Gross Settlement Amount.** As consideration, Defendant has agreed to pay a non-reversionary Gross Settlement Amount (or “GSA”) of One Million Five Hundred Thousand Dollars and Zero Cents (\$1,500,000.00) in full and complete settlement of the Action, as follows:
- A. The Parties have agreed to engage CPT Group, Inc. as the “Settlement Administrator” to administer this Settlement.
 - B. If no objections are filed, the GSA shall be deposited with the Settlement Administrator within forty-five (45) calendar days after the Court enters an order granting final approval of the Settlement. Solely in the event that there are any objections to the Settlement (the filing of an objection being a prerequisite to the filing of an appeal), the GSA shall be deposited with the Settlement Administrator within the later of: (i) thirty (30) days after the last date on which any appeal might be filed, with no appeal having been filed, or (ii) thirty (30) days after the resolution of any appeal(s), presuming that the appeal upholds the Settlement.
 - C. This is a non-reversionary settlement. The Gross Settlement Amount includes:
 - (1) All payments (including interest) to the Settlement Class;
 - (2) All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than Fifteen Thousand Dollars (\$15,000). If the actual costs exceed Fifteen Thousand Dollars (\$15,000), the additional costs shall be deducted from the Gross Settlement Amount. If the actual costs are less than Fifteen Thousand Dollars (\$15,000), the difference will revert to the participating Class Members;
 - (3) Up to Fifteen Thousand Dollars (\$15,000) each, for a total of Forty-Five Thousand Dollars (\$45,000), for Plaintiffs’ Class Representative Enhancement Payments in recognition of their contributions to the Action and their service to the Settlement Class. In the event that the Court reduces or does not approve the requested Class Representative Enhancement Payments, Plaintiffs shall not have the right to revoke this settlement, and it will remain binding. Any amount reduced and/or not approved by the Court will revert to the participating Class Members;
 - (4) Up to one-third of the Gross Settlement Amount in Class Counsel’s attorneys’ fees, plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than Thirty-Five Thousand Dollars (\$35,000). In the event that the Court reduces or does not approve the requested Class Counsel attorneys’ fees or costs, Class Counsel shall not have the right to revoke this settlement, and it will remain binding, although Class Counsel reserve their right to appeal a reduced award of attorneys’ fees and costs, or no award. Any amount reduced and/or not approved by the Court will revert to the participating Class Members; and

- (5) One Hundred Thousand Dollars (\$100,000) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00) will be payable to the LWDA, and the remaining twenty-five percent (25%), or Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), will be payable to the Settlement Class as the “PAGA Amount.”
 - D. Defendant’s share of employer-side payroll taxes shall be paid by Defendant separately, and in addition to, the Gross Settlement Amount.
 - E. **Plaintiffs’ Option to Rescind.** Defendant represents that the Settlement Class worked approximately 164,464 workweeks between October 29, 2016 and June 24, 2022. If that number is incorrect by more than 10%, then the Gross Settlement Amount shall be increased proportionally. For example, if the number of workweeks that the Settlement Class worked between October 29, 2016 and June 24, 2022 is 11% greater than 164,464, then the Gross Settlement Amount will be increased by 1%.
5. **Payments to the Settlement Class.** Class Members are not required to submit a claim form to receive a payment (“Settlement Award”) from the Settlement. Settlement Awards will be determined and paid as follows:
- A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel’s attorneys’ fees, Class Counsel’s costs and expenses, Plaintiffs’ Class Representative Enhancement Payments, the amount set aside as PAGA civil penalties, and the Settlement Administrator’s fees and expenses for administration. The remaining amount shall be known as the “Net Settlement Amount.”
 - B. Class Members’ Settlement Award: From the Net Settlement Amount, the Settlement Administrator will calculate each Class Member’s Settlement Award based each participating Class Member’s proportionate Workweeks worked during the Class Period, and will be determined by multiplying the Net Settlement Amount by a fraction, the numerator of which is the participating Class Member’s number of Workweeks worked during the Class Period, and the denominator of which is the total Workweeks worked by all participating Class Members during the Class Period.
 - C. PAGA Amount: In addition to the NSA, each Class Member who was employed by Defendant at any time from November 5, 2019 through August 24, 2022 (“PAGA Period”) (including those Class Members who submit a valid and timely Request for Exclusion from the class action settlement) shall receive a portion of the Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) designated as the “PAGA Amount” taken from the GSA as described above and shall be paid based on the proportionate number of Workweeks that he or she worked during the PAGA Period.

- D. Within five (5) business days after the Court enters the final approval order, the Settlement Administrator will provide the Parties with an accounting of the amounts to be paid by Defendant pursuant to the terms of the Settlement, including the amount of the employer contribution for payroll taxes to be paid by Defendant. Within ten (10) calendar days following Defendant's deposit of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate Settlement Award amounts and provide the same to counsel for review and approval. Within seven (7) calendar days of approval by counsel, the Settlement Administrator will prepare and mail Settlement Awards, less applicable taxes and withholdings, to participating Class Members. The Settlement Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Defendant's counsel.
- E. For purposes of calculating applicable taxes and withholdings, each Settlement Award shall be allocated as follows: any payment made from the PAGA Amount shall be treated as 100% penalties. Any payment made from the NSA shall be allocated as follows: 20% as wages and 80% as penalties and interest. The Settlement Administrator will be responsible for issuing to participating Class Members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Notwithstanding the treatment of the payments to each Class Member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay, or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.
- F. Each Class Member who receives a Settlement Award must cash that check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Class Members whose checks were not cashed within 180 days after mailing shall be tendered to the State Controller's Office, Unclaimed Property Division.
- G. Neither Plaintiffs nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.
- H. The Parties make no representations as to the tax treatment or legal effect of the payments called for hereunder, and each Class Member who receives a Settlement Award are not relying on any statement or representation by the Parties in this regard. The Class Members who are receiving a Settlement Award understand and agree that they will be responsible for the payment of any taxes and penalties assessed on their Settlement Award and will be solely responsible for any penalties or other obligations resulting from their personal tax reporting of their Settlement Award.

6. **Attorneys' Fees and Costs.** Defendant will not object to Class Counsel's request for a total award of attorneys' fees of one-third of the Gross Settlement Amount, or Five Hundred Thousand Dollars and Zero Cents (\$500,000.00). Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Thirty-Five Thousand Dollars (\$35,000), from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement and effectuating the Settlement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award awarded by the Court.

7. **Class Representative Enhancement Payments.** Defendant will not object to a request for a Class Representative Enhancement Payment of up to Fifteen Thousand Dollars (\$15,000) to each Plaintiff, for a total of Forty-Five Thousand Dollars (\$45,000) for their time and risk in prosecuting this case, and their service to the Settlement Class. This award will be in addition to Plaintiffs' Settlement Awards as Class Members and shall be reported on an IRS Form 1099 issued by the Settlement Administrator. Even in the event that the Court reduces or does not approve the requested enhancement payments, Plaintiffs shall not have the right to revoke this Settlement, and it will remain binding.

8. **Settlement Administrator.** Defendant will not object to the appointment of CPT Group, Inc. as Settlement Administrator. Defendant will not object to Plaintiffs' seeking permission to pay up to Fifteen Thousand (\$15,000) for its services from the Gross Settlement Amount. The Settlement Administrator shall be responsible for sending notices, calculating Settlement Awards, preparing all checks and mailings, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount by Class Counsel only after Settlement Awards have been mailed to all participating Class Members.

9. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiffs shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Capstone Law APC and Lawyers for Justice, PC as Class Counsel;
- C. Appointing Gerardo Torres, Tawni Vandagriff, and John Hardin as Class Representatives for the Settlement Class;
- D. Approving CPT Group, Inc. as the Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;

- F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice), and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

10. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within ten (10) business days after entry of an order preliminarily approving this Agreement, Defendant will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, the dates of employment, and the number of workweeks worked by each Class Member while employed during the Class Period (the "Class Data"). The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator.
- B. Within ten (10) business days from receipt of this information, the Settlement Administrator shall: (i) run the names of all Class Members through the National Change of Address ("NCOA") database to determine any updated addresses for Class Members; (ii) update the address of any Class Member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Award for each Class Member; and (iv) mail a Notice Packet to each Class Member in English (a Spanish translation will be made available by request) at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Requests for Exclusion. Any Class Member who wishes to opt out of the settlement must complete and mail or deliver a Request for Exclusion to the Settlement Administrator within forty-five (45) calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline").
 - i. The Notice Packet shall state that a Class Member who wishes to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, and telephone number of the Class Member; (2) contain a statement that the Class Member wishes to be excluded from the Settlement; (3) be signed by the Class Member; and (4) be postmarked by the Response Deadline and mailed or delivered to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except that a Request for Exclusion not containing a Class Member's telephone number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Class Member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any

right to object, appeal, or comment thereon. However, Class Members who were employed by Defendant at any time during the PAGA Period and submit a valid and timely Request for Exclusion from the class action settlement shall still be entitled to their portion of the PAGA Amount described above.

- D. Objections. Class Members who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by submitting a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendant's counsel, as well as file all such objections with the Court). Defendant's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless the objections are filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendant's counsel and Class Counsel shall have ten (10) days to file a response to the objections. To be valid, any objection should: (1) contain the objecting Class Member's full name and current address, as well as contact information for any attorney representing the objecting Class Member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence; and (4) be postmarked no later than the Response Deadline.

- E. Notice of Settlement Award / Disputes. Each Notice Packet mailed to a Class Member shall disclose the amount of the Class Member's estimated Settlement Award, the number of workweeks worked by the Class Member during the Class Period, and the Class Member's dates of employment. Class Members will have the opportunity, should they disagree with Defendant's records regarding the information stated in the Notice Packet, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Awards under the terms of this Settlement Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Award shall be binding upon the Class Member and the Parties.

- F. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Class Member immediately, and in any event within five (5) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Class Member.

It will be conclusively presumed that, if an envelope so mailed has not been returned within thirty (30) calendar days of the mailing, the Class Member received the Notice Packet. Class Members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to submit a Request for Exclusion, an Objection, or a dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. If a Class Member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendant's counsel to provide notice of the proposed settlement.

11. **Defendant's Option to Revoke Settlement.** If the number of Class Members who submitted timely and valid written Requests for Exclusion is over five percent (5%) of all Class Members, Defendant shall have, in its sole discretion, the option to terminate this Settlement. If Defendant exercises the option to terminate this Settlement, Defendant shall: (i) provide written notice to Class Counsel prior to the Final Approval Hearing and no later than seven (7) calendar days after receiving notice from the Settlement Administrator of the number of Class Members who have submitted timely and valid Requests for Exclusion; and (ii) pay all Settlement Administration Costs incurred up to the date or as a result of the termination. If Defendant exercises its option to revoke the Settlement Agreement, the Parties shall proceed in all respects as if this Agreement had not been executed.

12. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiffs shall apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiffs' and Class Counsel's application for attorneys' fees and costs, Class Representative Enhancement Payments, LWDA payment, and settlement administration costs; and
- C. Entering judgment pursuant to California Rule of Court 3.769. Said judgment shall be posted on the Settlement Administrator's website.

13. **Non-Admission of Liability.** Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the Action, and nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

14. **Non-disclosure and Non-publication.** Plaintiffs and Class Counsel agree not to disclose or publicize the Settlement Agreement contemplated herein, the fact of the Settlement Agreement, its terms or contents, or the negotiations underlying the Settlement Agreement, in any manner or form, directly or indirectly, to any person or entity, except to Class Members or the Settlement Administrator, as shall be required to effectuate the terms of the Settlement Agreement as set forth herein, to discharge their duties on behalf of Class Members, or unless otherwise ordered by the Court. Class Counsel shall not report this Settlement in any medium or in any publication, shall not post or report anything regarding Plaintiffs' claims on Class Counsel's website, and shall not contact any reporters or media regarding the Settlement. Class Counsel are authorized to make a limited disclosure for the purpose of obtaining approval of the Settlement. For the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, or to seek approval of comparable wage and hour settlements in other actions, Class Counsel may disclose information about the Settlement available in the public record.

15. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

16. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant: Linda Claxton
Ogletree, Deakins, Nash, Smoak & Stewart, P.C.
400 South Hope Street, Suite 1200
Los Angeles, California 90071
linda.claxton@ogletree.com

if to Plaintiffs: Robert Drexler
Capstone Law APC
1875 Century Park East, Suite 1000
Los Angeles, California 90067
robert.drexler@capstonelawyers.com

Edwin Aiwarzian
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
edwin@calljustice.com

17. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

18. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically (e.g., DocuSign), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

19. **Enforcement and Continuing Jurisdiction of the Court.** To the extent consistent with class action procedure, this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over this Lawsuit and over all Parties and Class Members, to the fullest extent to enforce and effectuate the terms and intent of this Settlement Agreement, and to adjudicate any claimed breaches of this Settlement Agreement. The Court may award reasonable attorneys' fees and costs to the prevailing party in any motion or action taken based on an alleged violation of any material term of this Settlement Agreement.

DATED: 10/28/2022

Rexel USA, Inc.

DocuSigned by:
Mark Testa
By: 17DD6A4CD3864E6...
Mark Testa, Chief Financial Officer
for Rexel USA, Inc.

DATED: 10/20/2022

Gerardo Torres

DocuSigned by:
Gerardo Torres
By: 17DD6A4CD3864E6...
Plaintiff and Settlement Class Representative

DATED: 10/14/2022

Tawni Vandagriff

DocuSigned by:
Tawni Vandagriff
By: 17DD6A4CD3864E6...
Plaintiff and Settlement Class Representative

DATED:

John Hardin

By: _____
Plaintiff and Settlement Class Representative

DATED: 10/28/2022

Rexel USA, Inc.

DocuSigned by:
Caroline Becker
By: 0BEC1DBB5F73446...
Caroline Becker, SVP Human Resources
for Rexel USA, Inc.

18. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically (e.g., DocuSign), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

19. **Enforcement and Continuing Jurisdiction of the Court.** To the extent consistent with class action procedure, this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over this Lawsuit and over all Parties and Class Members, to the fullest extent to enforce and effectuate the terms and intent of this Settlement Agreement, and to adjudicate any claimed breaches of this Settlement Agreement. The Court may award reasonable attorneys' fees and costs to the prevailing party in any motion or action taken based on an alleged violation of any material term of this Settlement Agreement.

DATED: Rexel USA, Inc.

By: _____
Mark Testa, Chief Financial Officer
for Rexel USA, Inc.

DATED: Gerardo Torres

By: _____
Plaintiff and Settlement Class Representative

DATED: Tawni Vandagriff

By: _____
Plaintiff and Settlement Class Representative

DATED: 10/14/2022

John Hardin

By: _____
Plaintiff and Settlement Class Representative

Electronically Signed 2022-10-15 04:05:41 UTC - 172.56.121.233
Nintex AssureSign® ac32ef2e-1d7a-4a74-9a78-d2d0173d3a31

DATED: Rexel USA, Inc.

By: _____
Caroline Becker, SVP Human Resources
for Rexel USA, Inc.

APPROVED AS TO FORM:

DATED: 10/28/2022

OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.



By: _____
Linda Claxton
Attorneys for Defendant

DATED: 10/20/2022

CAPSTONE LAW, APC



By: _____
Robert Drexler
Attorneys for Plaintiffs Gerardo Torres and
Tawni Vandagriff

DATED:

LAWYERS FOR JUSTICE, PC

By: _____
Edwin Aiwazian
Attorneys for Plaintiff John Hardin

APPROVED AS TO FORM:

DATED:

OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.

By: _____
Linda Claxton
Attorneys for Defendant

DATED:

CAPSTONE LAW, APC

By: _____
Robert Drexler
Attorneys for Plaintiffs Gerardo Torres and
Tawni Vandagriff

DATED: October 17, 2022

LAWYERS FOR JUSTICE, PC

By:  _____
Edwin Aiwazian
Attorneys for Plaintiff John Hardin

Exhibit A

Gerardo Torres v. Rexel USA, Inc., No. CV-20-004823 (“Action”)
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF STANISLAUS
NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully.

To: All current and former non-exempt hourly employees who worked for Rexel USA, Inc. (“Rexel”) in the State of California at any time from October 29, 2016 through August 24, 2022 (“Class Members”).

All current and former non-exempt hourly employees of Rexel who worked in the State of California at any time from November 5, 2019 through August 24, 2022 (“PAGA Members”).

On _____, the Honorable Sonny S. Sandhu of the Stanislaus County Superior Court granted preliminary approval of this class action settlement and ordered the litigants to notify all Class Members of the settlement. **You have received this notice because Defendants’ records indicate that you are a Class Member, and therefore entitled to a payment from the settlement.**

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. The Final Fairness Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at 8:30 a.m. on _____, 2023 in Department 24 of the Stanislaus County Superior Court located at 801 10th St, 4th Floor, Modesto, California 95354.

Please also note that the Final Fairness Hearing may be rescheduled by the Court to another date and/or time. Please visit [\[settlement website\]](#) for any scheduling changes.

If you move, you must send the Settlement Administrator your new address; otherwise, you may never receive your settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator.

Summary of the Litigation

Plaintiffs Gerardo Torres, Tawny Vandagriff, and John Hardin, on their behalf and on behalf of other current and former non-exempt employees, allege claims against Rexel under California law for alleged failure to: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with meal and rest breaks; (3) reimburse employees for necessary business expenses; (4) timely pay all wages owed to employees during each pay period and upon termination of their employment; (5) provide employees with accurate, itemized wage statements, and (6) other alleged violations of California wage and hour laws. Rexel has denied, and continues to deny, the factual and legal allegations in the case and believe that they have valid defenses to Plaintiffs’ claims. Rexel further disputes that the claims asserted in this action could or should properly proceed as a class action. By agreeing to settle, Rexel is not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Rexel has agreed to settle the case as part of a compromise with Plaintiffs.

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On June 24, 2022, the parties participated in a mediation with Lou Marlin, Esq., an experienced and well-respected class action mediator. With Mr. Marlin’s guidance, the parties were able to negotiate a complete settlement of Plaintiffs’ claims.

Counsel for Plaintiffs, and the attorneys appointed by the Court to represent the class, Capstone Law APC and Lawyers for Justice, P.C. (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Summary of the Proposed Settlement Terms

Plaintiffs and Rexel have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$1,500,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) Class Representative Enhancement Payments of \$15,000, each, to Gerardo Torres, Tawny Vandagriff, and John Hardin for their services on behalf of the class, and for a release of all claims arising out of their employment with Defendants; (3) \$500,000 in attorneys' fees and up to \$35,000 in litigation costs and expenses; (4) a \$100,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA"), inclusive of a \$75,000 payment to the California Labor and Workforce Development Agency ("LWDA") in connection with the PAGA, and a \$25,000 payment ("PAGA Fund") to all PAGA Members; and (5) reasonable Settlement Administrator's fees and expenses currently estimated at \$15,000. After deducting the above payments, a total of approximately \$_____ will be allocated to Class Members who do not opt out of the Settlement Class ("Net Settlement Fund"). Additionally, all current and former non-exempt hourly employees of Rexel who worked in the State of California at any time from November 5, 2019 through August 24, 2022 will receive a proportional share of the \$25,000 PAGA Fund, regardless whether they opt out of the Settlement Class.

Payments from Net Settlement Fund. Rexel will calculate the total number of Workweeks worked by each Class Member from October 29, 2016 through August 24, 2022 ("Class Period") and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member's estimated share of the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks, resulting in the "Workweek Value." Each Class Member's share of the Net Settlement Fund will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Class Members as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Class Member's share of the Net Settlement Fund according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

According to Rexel's records, you worked during the Class Period in a non-exempt, hourly position for a total of _____ Workweeks. Accordingly, your estimated payment from the Net Settlement Fund is approximately \$_____.

Payments from PAGA Fund. Rexel will calculate the total number of Workweeks worked by each PAGA Member from November 5, 2019 through the earlier of the date of Preliminary Approval or August 24, 2022 ("PAGA Period") and the aggregate total number of Workweeks worked by all PAGA Members during the PAGA Period. To determine each PAGA Member's estimated share of the PAGA Fund, the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Workweeks, resulting in the "PAGA Workweek Value." Each PAGA Member's share of the PAGA Fund will be calculated by multiplying each individual PAGA Member's total number of Workweeks by the PAGA Workweek Value. A Request for Exclusion does not exclude a PAGA Member from the release of claims under California Labor Code §§ 2698, *et seq.* and the PAGA Member will receive their portion of the PAGA fund even if he or she submits a valid Request for Exclusion.

According to Rexel's records, you worked during the PAGA Period in a non-exempt, hourly position for a total of _____ Workweeks. Accordingly, your estimated payment from the PAGA Fund is approximately \$_____.

Your Estimated Payment: Based on the above, your estimated payment from the settlement is approximately \$_____. If you believe the Workweek information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked or faxed on or before [insert date of Response Deadline] and must be sent to:

Settlement Administrator

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

c/o _____
Fax No. _____

If you dispute the information stated above, Rexel's records will control unless you are able to provide documentation that establishes otherwise.

Taxes on Settlement Payments. IRS Forms W-2 and 1099 will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For settlement payments from the Net Settlement Fund, 20% of each settlement payment will be allocated as wages for which IRS Forms W-2 will be issued, and 80% will be allocated as non-wages for which IRS Forms 1099-MISC will be issued. Payments from the PAGA fund will be 100% allocated as non-wages for which IRS Forms 1099-MISC will be issued.

Your Options Under the Settlement

Option 1 – *Automatically Receive a Payment from the Settlement*

If want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, you will be deemed to have released or waived the Released Class Claims and Released PAGA Claims:

Released Class Claims: Any and all claims alleged in the Second Amended Complaint in the Action, the First Amended Complaint in the Action, and the Complaint in the action entitled *Hardin, et al. v. Platt Electric Supply Inc., et al.*, United States District Court Eastern District of California, Case No.: 21-cv-01621 ("Hardin Action"); and those claims that could reasonably have been alleged based on the facts alleged in the Second Amended Complaint, the First Amended Complaint, and the Complaint in the Hardin Action, including: (a) failure to pay all overtime wages; (b) failure to pay all minimum wages; (c) failure to provide all meal periods, or premium pay for non-compliant meal periods; (d) failure to authorize and permit all rest periods, or premium pay for non-compliant rest periods; (e) failure to issue accurate, compliant, and itemized wage statements, and failure to maintain payroll records; (f) failure to timely pay all final wages; (g) failure to timely pay all wages due during employment; (h) unreimbursed business expenses; (i) civil penalties under the Private Attorneys General Act of 2004 ("PAGA") based on the preceding released claims; and (j) all claims for unlawful business practices and unfair business practices premised on the facts, claims, causes of action or legal theories of relief pled in the Second Amended Complaint ("Released Class Claims"). The period of the Released Class Claims extends to the limits of the Class Period.

Released PAGA Claims: All claims for PAGA penalties that could have been sought by the Labor Commissioner for the violations identified in Gerardo Torres's and Tawni Vandagriff's November 5, 2020 and January 15, 2021 pre-filing PAGA letters to the Labor & Workforce Development Agency ("LWDA") during the period from November 5, 2019 through August 24, 2022 ("Released PAGA Claims").

Option 2 – *Opt Out of the Settlement*

If you do not wish to participate in the settlement, you may exclude yourself from participating by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement. The written request for exclusion must include your name, signature, address, telephone number, and last four digits of your Social Security Number. Sign, date, and mail the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Settlement Administrator
c/o _____

The Request for Exclusion must be postmarked or faxed not later than _____, 2023. If you submit a Request for Exclusion which is not postmarked or faxed by _____, 2023, your Request for Exclusion will be rejected, and you will be included in the settlement class.

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive a Payment from the Net Settlement Fund.
- Not release the Released Class Claims.
- If you are a PAGA Member, you will still release the Released PAGA Claims, and will receive a payment from the PAGA Fund.

Option 3 – Object to the Settlement

If you decide to object to the settlement because you find it unfair or unreasonable, you may submit a written objection stating why you object to the settlement, or you may instead appear at the Final Fairness Hearing to object to the Settlement. Written objections must provide: (1) your full name, signature, address, and telephone number, (2) a written statement of all grounds for the objection accompanied by any legal support for such objection; (3) copies of any papers, briefs, or other documents upon which the objection is based; and (4) a statement about whether you intend to appear at the Fairness Hearing. The objection must be mailed to the administrator at [administrator's address].

All written objections must be received by the administrator by not later than _____ 2023. By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only.

You may also, if you wish, appear at the Final Fairness Hearing set for _____ at _____ a.m./p.m. in the Superior Court of the State of California, for the County of Stanislaus and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Class Claims and Released PAGA Claims.

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator or Class Counsel.

Raul Perez
Capstone Law APC
1875 Century Park E., Suite 1000
Los Angeles, CA 90067
Phone: 1 (855) 228-3306

Edwin Aiwarzian
Lawyers for Justice, PC
410 Arden Ave., Suite 203
Glendale, CA 91203
Phone: Number

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANTS' ATTORNEYS WITH INQUIRIES.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******