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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SAN BERNARDINO

SALLY PORTER, individually, and on behalf  
of other members of the general public similarly  
situated,

Plaintiff,

vs.

INDIAN HILL MANAGEMENT, INC., a  
California corporation; WEBB FAMILY  
ENTERPRISES, INC., a California corporation;  
and DOES 1 through 10, inclusive,

Defendants.

Case No.: CIVSB2026788

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

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1 recent mailing address and telephone number; Social Security number; dates of employment; the  
2 respective number of Workweeks that each Class Member worked during the applicable Class Period  
3 and PAGA Period; and any other relevant information needed to calculate settlement payments.

4 5. “Class Member(s)” or “Settlement Class” means: (a) all persons who worked for  
5 Defendants as non-exempt, hourly paid employees at a McDonald’s location in the State of California at  
6 any time from November 30, 2016 to April 30, 2021 (“Group One Class Members”); and (b) all persons  
7 who worked for Defendant Webb Family Enterprises, Inc. as non-exempt, hourly paid employees in the  
8 State of California at any time from November 30, 2016 to the earlier of the date of Preliminary  
9 Approval or March 13, 2023 (“Group Two Class Members”).

10 6. “Class Notice” means the Notice of Class Action Settlement, substantially in the form  
11 attached as Exhibit A.

12 7. “Class Period” means the period from: (a) November 30, 2016 to April 30, 2021 for  
13 Group One Class Members; and (b) November 30, 2016 to the earlier of the date of Preliminary  
14 Approval or March 13, 2023 for Group Two Class Members.

15 8. “Class Representative Enhancement Payment” means the amount to be paid to Plaintiff  
16 in recognition of her effort and work in prosecuting the Action on behalf of Class Members, and for her  
17 general release of claims. Subject to the Court granting final approval of this Settlement Agreement and  
18 subject to the exhaustion of any and all appeals, Plaintiff will request Court approval of a Class  
19 Representative Enhancement Payment of up to Ten Thousand Dollars (\$10,000).

20 9. “Court” means the San Bernardino County Superior Court.

21 10. “Defendants” means Defendants Indian Hill Management, Inc., Webb Family  
22 Enterprises, Inc., Kiaco, Inc., 05619, Inc., and 36733, Inc.

23 11. “Effective Date” means the later of: (a) if no timely objections are filed, or are  
24 withdrawn prior to Final Approval, then the date of Final Approval; or (b) if a Class Member files an  
25 objection to the Settlement, the Effective Date shall be the sixty-first (61) calendar day after the date of  
26 Final Approval, provided no appeal is initiated by an objector; or (c) if a timely appeal is initiated by an  
27 objector, then the Effective Date will be the date of final resolution of that appeal (including any requests  
28 for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

12. “Final Approval” means the date on which the Court enters an order granting final approval of the Settlement Agreement.

13. “Gross Settlement Amount” means the Gross Settlement Amount of Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000), to be paid by Defendants in full satisfaction of all Released Class Claims and Released PAGA Claims, which includes all Individual Settlement Payments, Attorneys’ Fees and Costs, the Class Representative Enhancement Payment, the PAGA Settlement Amount, and Settlement Administration Costs. This Gross Settlement Amount has been agreed to by Plaintiff and Defendants based on the aggregation of the agreed-upon settlement value of individual claims. In no event will Defendants be liable for more than the Gross Settlement Amount except as otherwise explicitly set forth herein. There will be no reversion of the Gross Settlement Amount to Defendants. Defendants will be separately responsible for any employer payroll taxes required by law, including the employer FICA, FUTA, and SDI contributions, which shall not be paid from the Gross Settlement Amount.

14. “Individual Settlement Payment” means each Participating Class Member’s and PAGA Member’s respective shares of the Net Settlement Fund and PAGA Fund.

15. “Net Settlement Fund” means the portion of the Gross Settlement Amount remaining after deducting the Attorneys’ Fees and Costs, the Class Representative Enhancement Payment, the PAGA Settlement Amount, and Settlement Administration Costs. The Net Settlement Fund will be distributed to Participating Class Members. There will be no reversion of the Net Settlement Fund to Defendants.

16. “Notice of Objection” means a Class Member’s valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector’s full name, signature, address, and telephone number, (b) a written statement of all grounds for the objection accompanied by any legal support for such objection; (c) copies of any papers, briefs, or other documents upon which the objection is based; and (d) a statement whether the objector intends to appear at the final fairness hearing.

17. “PAGA Members” means: (a) all persons who worked for Defendants as non-exempt, hourly paid employees at a McDonald’s location in the State of California at any time from November

30, 2019 to April 30, 2021 (“Group One PAGA Members”); and (b) all persons who worked for Defendant Webb Family Enterprises, Inc. as non-exempt, hourly paid employees in the State of California at any time from November 30, 2019 to the earlier of the date of Preliminary Approval or March 13, 2023 (“Group Two PAGA Members”).

18. “PAGA Period” means the period from: (a) November 30, 2019 to April 30, 2021 for Group One PAGA Members; and (b) November 30, 2019 to the earlier of the date of Preliminary Approval or March 13, 2023 for Group Two PAGA Members.

19. “PAGA Settlement Amount” means the amount that the Parties have agreed to pay to the Labor and Workforce Development Agency (“LWDA”) and PAGA Members in connection with Plaintiff’s claim under the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”) (“PAGA Settlement”). The Parties have agreed that Two Hundred Thousand Dollars (\$200,000) of the Gross Settlement Amount will be allocated to the PAGA Settlement. Pursuant to PAGA, Seventy-Five Percent (75%), or One Hundred Fifty Thousand Dollars (\$150,000), of the PAGA Settlement Amount will be paid to the California Labor and Workforce Development Agency (“Labor and Workforce Development Agency Payment”), and Twenty-Five Percent (25%), or Fifty Thousand Dollars (\$50,000) (“PAGA Fund”), of the PAGA Settlement will be disbursed to PAGA Members, and regardless whether they request to be excluded from the Settlement Class.

20. “Parties” means Plaintiff and Defendants collectively.

21. “Participating Class Members” means all Class Members who do not submit timely and valid Requests for Exclusion.

22. “Plaintiff” means Plaintiff Sally Porter.

23. “Preliminary Approval” means the date on which the Court enters an order granting preliminary approval of the Settlement Agreement.

24. “Released Class Claims” means all claims, rights, demands, liabilities, and causes of action, reasonably arising from, or reasonably related to, the same set of operative facts as those set forth in the operative complaint during the applicable Class Period, including: (a) all claims for unpaid overtime; (b) all claims for meal and rest period violations; (c) all claims for unpaid minimum wages; (d) all claims for the failure to reimburse for necessary business expenses; (e) all claims for the failure to

1 timely pay wages upon termination based on the preceding claims; (f) all claims for the failure to timely  
2 pay wages during employment based on the preceding claims; (g) all claims for wage statement  
3 violations based on the preceding claims; and (h) all claims asserted through California Business &  
4 Professions Code §§ 17200, *et seq.*

5 25. “Released PAGA Claims” means all claims for civil penalties under California Labor  
6 Code §§ 2698, *et seq.*, that were brought or could reasonably have been brought based on the facts  
7 alleged in Plaintiff’s LWDA letters during the applicable PAGA Period.

8 26. “Released Parties” means Defendants, their past or present officers, directors,  
9 shareholders, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and  
10 reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and  
11 attorneys, if any.

12 27. “Request for Exclusion” means a timely letter submitted by a Class Member indicating a  
13 request to be excluded from the Settlement Class. The Request for Exclusion must: (a) set forth the  
14 name, address, telephone number and last four digits of the Social Security Number of the Class  
15 Member requesting exclusion; (b) be signed by the Class Member; (c) be returned to the Settlement  
16 Administrator; (d) clearly state that the Class Member does not wish to be included in the Settlement;  
17 and (e) be faxed or postmarked on or before the Response Deadline.

18 28. “Response Deadline” means the deadline by which Class Members must postmark or  
19 fax to the Settlement Administrator Requests for Exclusion, postmark or fax disputes concerning the  
20 calculation of Individual Settlement Payments, or postmark Notices of Objection to the Settlement  
21 Administrator. The Response Deadline will be forty-five (45) calendar days from the initial mailing of  
22 the Class Notice by the Settlement Administrator, unless the forty-fifth (45th) calendar day falls on a  
23 Sunday or State holiday, in which case the Response Deadline will be extended to the next day on which  
24 the U.S. Postal Service is open.

25 29. “Settlement Administration Costs” means the costs payable from the Gross Settlement  
26 Amount to the Settlement Administrator for administering this Settlement, including, but not limited to,  
27 printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Gross  
28 Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The

1 Settlement Administration Costs will be paid from the Gross Settlement Amount, including, if necessary,  
2 any such costs in excess of the amount represented by the Settlement Administrator as being the  
3 maximum costs necessary to administer the Settlement. Based on an estimated Settlement Class of  
4 approximately 4,290 Class Members, the Settlement Administration Costs are currently estimated to be  
5 Thirty Thousand Dollars (\$30,000).

6 30. "Settlement Administrator" means CPT Group, Inc., or any other third-party class action  
7 settlement administrator agreed to by the Parties and approved by the Court for the purposes of  
8 administering this Settlement. The Parties each represent that they do not have any financial interest in  
9 the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that  
10 could create a conflict of interest.

11 31. "Workweeks" means the number of days of employment for each Class Member during  
12 the applicable Class Period, subtracting days on leave of absence (if any), dividing by seven (7), and  
13 rounding up to the nearest whole number. All Class Members will be credited with at least one  
14 Workweek during the applicable Class Period, and all PAGA Members will be credited with at least one  
15 Workweek during the applicable PAGA Period.

#### 16 **TERMS OF AGREEMENT**

17 The Plaintiff, on behalf of herself and the Settlement Class, and Defendants agree as follows:

18 32. Amendment to Pleadings. As a condition of settlement, Plaintiff will add 05619, Inc.  
19 and 36733, Inc. as defendants in the Action by Doe Amendment before submission of the Motion for  
20 Preliminary Approval of Class Action and PAGA Settlement.

21 33. Funding of the Gross Settlement Amount. Defendants will make a one-time deposit of  
22 the Gross Settlement Amount of Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000) into  
23 a Qualified Settlement Account to be established by the Settlement Administrator. Defendants will pay  
24 the employer's share of payroll taxes separately. After the Effective Date, the Gross Settlement Amount  
25 will be used for: (a) Individual Settlement Payments; (b) the Labor and Workforce Development Agency  
26 Payment; (c) the Class Representative Enhancement Payment; (d) Attorneys' Fees and Costs; and (e)  
27 Settlement Administration Costs. Defendants will deposit the Gross Settlement Amount and the  
28 employer's share of payroll taxes within thirty (30) calendar days of the Effective Date ("Funding

1 Date”).

2 34. Attorneys’ Fees and Costs. Defendants agree not to oppose or impede any application or  
3 motion by Class Counsel for Attorneys’ Fees and Costs of not more than Nine Hundred Sixteen  
4 Thousand Six Hundred Sixty Six Dollars (\$916,666), plus the reimbursement of all out-of-pocket costs  
5 and expenses associated with Class Counsel’s litigation and settlement of the Action (including  
6 expert/consultant fees, investigations costs, etc.), not to exceed Fifteen Thousand Dollars (\$15,000), both  
7 of which will be paid from the Gross Settlement Amount.

8 35. Class Representative Enhancement Payment. In exchange for a general release, and in  
9 recognition of her effort and work in prosecuting the Action on behalf of Class Members, Defendants  
10 agree not to oppose or impede any application or motion for a Class Representative Enhancement  
11 Payment of up to Ten Thousand Dollars (\$10,000). The Class Representative Enhancement Payment  
12 will be paid from the Gross Settlement Amount and will be in addition to Plaintiff’s Individual  
13 Settlement Payment paid pursuant to the Settlement. Plaintiff will be solely and legally responsible to  
14 pay any and all applicable taxes on the Class Representative Enhancement Payment. Plaintiff  
15 understands and agrees that this Settlement Agreement shall remain in full force and effect even if the  
16 full amount of Class Representative Enhancement Payment sought by Plaintiff is not ultimately awarded  
17 by the Court.

18 36. Settlement Administration Costs. The Settlement Administrator will be paid for the  
19 reasonable costs of administration of the Settlement and distribution of payments from the Gross  
20 Settlement Amount, which is currently estimated to be Thirty Thousand Dollars (\$30,000). These costs,  
21 which will be paid from the Gross Settlement Amount, will include, *inter alia*, the required tax reporting  
22 on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing Class  
23 Notices, calculating and distributing the Gross Settlement Amount, and providing necessary reports and  
24 declarations.

25 37. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount  
26 of Two Hundred Thousand Dollars (\$200,000) from the Gross Settlement Amount will be designated for  
27 satisfaction of Plaintiff’s PAGA claim. Pursuant to PAGA, Seventy-Five Percent (75%), or One  
28 Hundred Fifty Thousand Dollars (\$150,000), of this sum will be paid to the LWDA and Twenty-Five

Percent (25%), or Fifty Thousand Dollars (\$50,000), will be paid to PAGA Members in proportion to the number of Workweeks worked during the applicable PAGA Period.

38. No Right to Exclusion or Objections to the PAGA Settlement. Because this settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no PAGA Member has the right to exclude himself or herself from the release of the Released PAGA Claims, and all PAGA Members will receive their shares of the PAGA Fund. The Parties also agree that no PAGA Member has the right to object to the PAGA Settlement Amount.

39. Net Settlement Fund. The entire Net Settlement Fund will be distributed to Participating Class Members. No portion of the Net Settlement Fund will revert to or be retained by Defendants.

40. PAGA Fund. The entire PAGA Fund will be distributed to all PAGA Members. No portion of the PAGA Fund will revert to or be retained by Defendants.

41. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Fund and PAGA Fund based on the number of Workweeks a Class Member worked during the applicable Class Period and PAGA Period. Specific calculations of Individual Settlement Payments will be made as follows:

41(a) Payments from the Net Settlement Fund. Defendants will calculate the total number of Workweeks worked by each Class Member during the applicable Class Period and the aggregate total number of Workweeks worked by all Class Members during the applicable Class Period. To determine each Class Member's estimated "Individual Settlement Payment" from 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 "Individual Settlement Payment" 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 Participating Class Member as

specifically set forth herein, including employee-side tax withholdings or deductions. The entire Net Settlement Fund will be disbursed to all Class Members who do not submit timely and valid Requests for Exclusion. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Payment for each Participating Class Member according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

41(b) Payments from the PAGA Fund. Defendants will calculate the total number of Workweeks worked by each PAGA Member during the applicable PAGA Period and the aggregate total number of Workweeks worked by all PAGA Members during the applicable PAGA Period. To determine each PAGA Member's estimated "Individual Settlement Payment," 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 "Individual Settlement Payment" will be calculated by multiplying each individual PAGA Member's total number of Workweeks by the PAGA Workweek Value. The entire PAGA Fund will be disbursed to all PAGA Members.

42. No Credit Toward Benefit Plans. The Individual Settlement Payments made to Participating Class Members under this Settlement, as well as any other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

43. Administration Process. The Parties agree to cooperate in the administration of the settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in

administration of the Settlement.

44. Delivery of the Class List. Within thirty (30) calendar days of Preliminary Approval, Defendants will provide the Class List to the Settlement Administrator and to Class Counsel.

45. Notice by First-Class U.S. Mail. Within ten (10) calendar days after receiving the Class List from Defendants, the Settlement Administrator will mail a Class Notice to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

46. Confirmation of Contact Information in the Class Lists. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Class Notices returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved, and will then perform a single re-mailing. Those Class Members who receive a re-mailed Class Notice, whether by skip-trace or by request, will have either (a) an additional fifteen (15) calendar days or (b) until the Response Deadline, whichever is later, to submit a Request for Exclusion or an objection to the Settlement.

47. Class Notices. All Class Members will be mailed a Class Notice. Each Class Notice will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's principal terms; (c) the Settlement Class and PAGA Member definitions; (d) the total number of Workweeks each respective Class Member and PAGA Member worked for Defendants during the applicable Class Period and PAGA Period; (e) each Class Member's and PAGA Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (f) the dates which comprise the Class Period and PAGA Period; (g) instructions on how to submit Requests for Exclusion or Notices of Objection; (h) the deadlines by which the Class Member must postmark or fax Request for Exclusions, or postmark Notices of Objection to the Settlement; and (i) the claims to be released.

1           48.     Disputed Information on Class Notices. Class Members will have an opportunity to  
2     dispute the information provided in their Class Notices. To the extent Class Members dispute their  
3     employment dates or the number of Workweeks on record, Class Members may produce evidence to the  
4     Settlement Administrator showing that such information is inaccurate. Defendants' records will be  
5     presumed correct, but the Settlement Administrator shall contact the Parties regarding the dispute and the  
6     Parties will work in good faith to resolve it. All disputes must be submitted by the Response Deadline,  
7     and will be decided within ten (10) business days after the Response Deadline.

8           49.     Defective Submissions. If a Class Member's Request for Exclusion is defective as to the  
9     requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The  
10    Settlement Administrator will mail the Class Member a cure letter within three (3) business days of  
11    receiving the defective submission to advise the Class Member that his or her submission is defective  
12    and that the defect must be cured to render the Request for Exclusion valid. The Class Member will have  
13    until (a) the Response Deadline or (b) fifteen (15) calendar days from the date of the cure letter,  
14    whichever date is later, to postmark or fax a revised Request for Exclusion. If the revised Request for  
15    Exclusion is not postmarked or received by fax within that period, it will be deemed untimely.

16          50.     Request for Exclusion Procedures. Any Class Member wishing to opt-out from the  
17    Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement  
18    Administrator within the Response Deadline. In the case of Requests for Exclusion that are mailed to the  
19    Settlement Administrator, the postmark date will be the exclusive means to determine whether a Request  
20    for Exclusion has been timely submitted.

21          51.     Escalator. The Gross Settlement Amount was calculated with, and is premised on, the  
22    understanding that Class Members worked approximately 213,048 Workweeks during the Class Period.  
23    If the actual number of Class Members eligible to participate in the Settlement is greater than Ten  
24    Percent (10%) of this estimate, then Defendants must either: (a) agree to modify the end date for the  
25    Class Period to correspond with the date on which the total number of Workweeks was no greater than  
26    234,353; or (2) increase the Gross Settlement Amount on a proportional basis equal to the percentage  
27    increase in number of Workweeks worked by Class Members above the 10% (e.g. if there was 11%  
28    increase in the number of Workweeks during the Class Period, Defendants would agree to increase the

1 Gross Settlement Amount by 1%).

2 52. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member  
3 who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid  
4 Request for Exclusion will be bound by all of its terms, including those pertaining to the Released Class  
5 Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the  
6 Settlement.

7 53. Releases by Participating Class Members. Upon the Funding Date, and except as to such  
8 rights or claims as may be created by this Settlement Agreement, each Participating Class Member,  
9 together and individually, on their behalf and on behalf of their respective heirs, executors,  
10 administrators, agents, and attorneys, shall fully and forever release and discharge all of the Released  
11 Parties, or any of them, from each of the Released Class Claims arising during the applicable Class  
12 Period.

13 54. Releases by PAGA Members. Upon the Funding Date, and except as to such rights or  
14 claims as may be created by this Settlement Agreement, each PAGA Member, together and individually,  
15 on their behalf and on behalf of their respective heirs, executors, administrators, agents, and attorneys,  
16 shall fully and forever release and discharge all of the Released Parties, or any of them, from each of the  
17 Released PAGA Claims during the applicable PAGA Period.

18 55. Defendants' Right to Rescind. Defendants will have, in their sole discretion, the right to  
19 void and withdraw from the Settlement if, at any time prior to Final Approval, Five Percent (5%) or  
20 more of Class Members opt out of the settlement. Defendants must exercise this right of rescission in  
21 writing to Class Counsel within fourteen (14) calendar days after the Response Deadline. If the option to  
22 rescind is exercised, then Defendants will be solely responsible for all Settlement Administration Costs  
23 incurred to the date of rescission.

24 56. Objection Procedures. To object to the Settlement Agreement, a Class Member may  
25 either postmark a valid Notice of Objection to the Settlement Administrator on or before the Response  
26 Deadline, or appear in person at the Final Approval Hearing. Class Members who fail to object either by  
27 submitting a valid Notice of Objection or appearing in person at the Final Approval Hearing will be  
28 deemed to have waived all objections to the Settlement and will be foreclosed from making any

1 objections, whether by appeal or otherwise, to the Settlement Agreement. At no time will any of the  
2 Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written  
3 objections to the Settlement Agreement or appeal from the final approval order and judgment. Class  
4 Counsel will not represent any Class Members with respect to any such objections to this Settlement. If a  
5 Class Member timely submits both a Notice of Objection and a Request for Exclusion, the Request for  
6 Exclusion will be given effect and considered valid, the Notice of Objection shall be rejected, and the  
7 Class Member shall not participate in or be bound by the Settlement.

8 57. Certification Reports Regarding Individual Settlement Payment Calculations. The  
9 Settlement Administrator will provide Defendants' counsel and Class Counsel a weekly report that  
10 certifies the number of Class Members who have submitted valid Requests for Exclusion or objections to  
11 the Settlement, and whether any Class Member has submitted a challenge to any information contained  
12 in their Class Notice. Additionally, the Settlement Administrator will provide to counsel for both Parties  
13 any updated reports regarding the administration of the Settlement Agreement as needed or requested.

14 58. Distribution Timing of Individual Settlement Payments. Within ten (10) calendar days  
15 of the Funding Date, the Settlement Administrator will issue payments to: (a) Participating Class  
16 Members and PAGA Members; (b) the Labor and Workforce Development Agency; (c) Plaintiff; and  
17 (d) Class Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved  
18 services performed in connection with the Settlement.

19 59. Un-cashed Settlement Checks. Funds represented by Individual Settlement Payment  
20 checks returned as undeliverable and Individual Settlement Payment checks remaining un-cashed for  
21 more than one hundred and eighty (180) calendar days after issuance will be tendered to California Rural  
22 Legal Assistance ("CRLA"). The Parties do not have a connection to or a relationship with CRLA that  
23 could reasonably create the appearance of impropriety as between the selection of CRLA as the recipient  
24 of the unclaimed residuals and the interests of the class.

25 60. Certification of Completion. Upon completion of administration of the Settlement, the  
26 Settlement Administrator will provide a written declaration under oath to certify such completion to the  
27 Court and counsel for all Parties.

28 61. Treatment of Individual Settlement Payments. All Individual Settlement Payments will

1 be allocated as follows: (a) Twenty Percent (20%) of each Individual Settlement Payment will be  
2 allocated as wages for which IRS Forms W-2 will be issued; and (b) Eighty Percent (80%) will be  
3 allocated as non-wages for which IRS Forms 1099-MISC will be issued.

4 62. Administration of Taxes by the Settlement Administrator. The Settlement Administrator  
5 will be responsible for issuing to Plaintiff, Participating Class Members, PAGA Members, and Class  
6 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to  
7 this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes  
8 and penalties to the appropriate government authorities.

9 63. Tax Liability. Defendants make no representation as to the tax treatment or legal effect  
10 of the payments called for hereunder, and Plaintiff and Participating Class Members are not relying on  
11 any statement, representation, or calculation by Defendants or by the Settlement Administrator in this  
12 regard.

13 64. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES  
14 OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS  
15 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”)  
16 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND  
17 NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES  
18 OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR  
19 WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED  
20 OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES  
21 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE  
22 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS  
23 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX  
24 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS  
25 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY  
26 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY  
27 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO  
28 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE

1 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER  
2 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF  
3 ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER  
4 SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE  
5 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY  
6 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS  
7 AGREEMENT.

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

12 66. Nullification of Settlement Agreement. In the event that: (a) the Court does not finally  
13 approve the Settlement as provided herein; or (b) the Settlement does not become final for any other  
14 reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null  
15 and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will  
16 likewise be treated as void from the beginning.

17 67. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request  
18 the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order  
19 for: (a) conditional certification of the Settlement Class for settlement purposes only, (b) preliminary  
20 approval of the proposed Settlement Agreement, (c) setting a date for a final fairness hearing. The  
21 Preliminary Approval Order will provide for the Class Notice to be sent to all Class Members as  
22 specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this  
23 Settlement Agreement, which sets forth the terms of this Settlement, and will include the proposed  
24 Notice of Class Action Settlement, attached as Exhibit A. Class Counsel will be responsible for drafting  
25 all documents necessary to obtain preliminary approval.

26 68. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the  
27 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the  
28 Court's permission, a final fairness hearing will be conducted to determine the Final Approval of the

1 Settlement Agreement along with the amounts properly payable for: (a) Attorneys' Fees and Costs; (b)  
2 the Class Representative Enhancement Payment; (c) Individual Settlement Payments; (d) the Labor and  
3 Workforce Development Agency Payment; (e) all Settlement Administration Costs. The final fairness  
4 hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Class Counsel  
5 will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will also  
6 be responsible for drafting the attorneys' fees and costs application to be heard at the final approval  
7 hearing.

8 69. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the  
9 Court or after the final fairness hearing, the Parties will present the Judgment to the Court for its  
10 approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of  
11 addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement  
12 administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as  
13 set forth in this Settlement Agreement. A copy of the Judgment will be posted to the Settlement  
14 Administrator's website.

15 70. Release by Plaintiff. Upon the Funding Date, in addition to the claims being released by  
16 all Participating Class Members, Plaintiff will release and forever discharge the Released Parties, to the  
17 fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and not  
18 asserted, which Plaintiff has or may have against the Released Parties as of the date of execution of this  
19 Settlement Agreement. To the extent the foregoing release is a release to which Section 1542 of the  
20 California Civil Code or similar provisions of other applicable law may apply, Plaintiff expressly waives  
21 any and all rights and benefits conferred upon her by the provisions of Section 1542 of the California  
22 Civil Code or similar provisions of applicable law which are as follows:

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

PARTY.

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

72. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or contradict the terms of this Settlement Agreement.

73. Amendment or Modification. No amendment, change, or modification to this Settlement Agreement will be valid unless in writing and signed, either by the Parties or their counsel, and approved by the Court.

74. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

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

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

77. Execution and Counterparts. This Settlement Agreement is subject only to the execution

1 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All  
2 executed counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and scanned  
3 copies of the signature page, will be deemed to be one and the same instrument.

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

10 79. Invalidity of Any Provision. Before declaring any provision of this Settlement  
11 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent  
12 possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement  
13 valid and enforceable.

14 80. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class  
15 certification for purposes of this Settlement only; except, however, that Plaintiff or Class Counsel may  
16 appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court,  
17 and either party may appeal any court order that materially alters the Settlement Agreement's terms.

18 81. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to  
19 class action certification for purposes of the Settlement only. If, for any reason, the Settlement is not  
20 approved, the stipulation to certification will be void. The Parties further agree that certification for  
21 purposes of the Settlement is not an admission that class action certification is proper under the standards  
22 applied to contested certification motions and that this Settlement Agreement will not be admissible in  
23 this or any other proceeding as evidence that either (a) a class action should be certified or (b) Defendants  
24 are liable to Plaintiff or any Class Member, other than according to the Settlement's terms.

25 82. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute  
26 that has arisen between them and to avoid the burden, expense and risk of continued litigation. In  
27 entering into this Settlement, Defendants do not admit, and specifically deny, that they violated any  
28 federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or

1 any other applicable laws, regulations or legal requirements; breached any contract; violated or breached  
2 any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with  
3 respect to their employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any  
4 of the negotiations connected with it, will be construed as an admission or concession by Defendants of  
5 any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to  
6 enforce the terms of this Settlement, this Settlement Agreement and its terms and provisions will not be  
7 offered or received as evidence in any action or proceeding to establish any liability or admission on the  
8 part of Defendants or to establish the existence of any condition constituting a violation of, or a non-  
9 compliance with, federal, state, local or other applicable law.

10 83. No Public Comment: The Parties and their counsel agree that they will not issue any  
11 press releases, initiate any contact with the press, respond to any press inquiry, or have any  
12 communication with the press about the fact, amount or terms of the Settlement.

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

16 85. Enforcement Actions. In the event that one or more of the Parties institutes any legal  
17 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement  
18 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be  
19 entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including  
20 expert witness fees incurred in connection with any enforcement actions.

21 86. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and  
22 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed  
23 more strictly against one party than another merely by virtue of the fact that it may have been prepared  
24 by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations  
25 between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

26 87. Representation By Counsel. The Parties acknowledge that they have been represented  
27 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and  
28 that this Settlement Agreement has been executed with the consent and advice of counsel. Further,

Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

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

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

90. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

### READ CAREFULLY BEFORE SIGNING

#### PLAINTIFF

Dated: 4/24/2023

DocuSigned by:  
  
 Sally Porter

#### DEFENDANT

Dated: \_\_\_\_\_

\_\_\_\_\_  
 [Name of Authorized Signatory]  
**Indian Hill Management, Inc.**

#### DEFENDANT

Dated: \_\_\_\_\_

\_\_\_\_\_  
 [Name of Authorized Signatory]  
**Webb Family Enterprises, Inc.**

#### DEFENDANT

Dated: \_\_\_\_\_

\_\_\_\_\_  
 [Name of Authorized Signatory]  
**Kiaco, Inc.**

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2 88. All Terms Subject to Final Court Approval. All amounts and procedures described in  
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11 otherwise might apply under federal or state law.

12 **READ CAREFULLY BEFORE SIGNING**

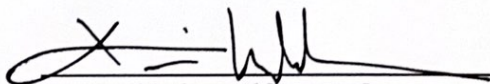
13 **PLAINTIFF**

14  
15 Dated: \_\_\_\_\_

\_\_\_\_\_  
Sally Porter

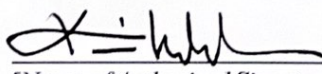
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17 **DEFENDANT**

18 Dated: 2/28/23

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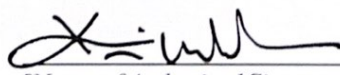
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21 **DEFENDANT**

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Webb Family Enterprises, Inc.

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25 **DEFENDANT**

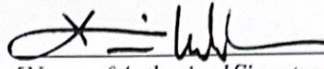
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[Name of Authorized Signatory]  
Kiaco, Inc.

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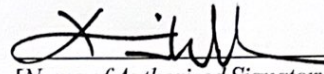
**DEFENDANT**

Dated: 2/28/23

  
[Name of Authorized Signatory]  
**05619, Inc.**

**DEFENDANT**

Dated: 2/28/23

  
[Name of Authorized Signatory]  
**36733, Inc.**

**APPROVED AS TO FORM**

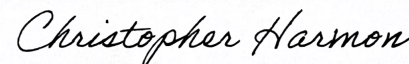
**CAPSTONE LAW APC**

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Raul Perez  
Attorneys for Plaintiff, Sally Porter

**LEWIS BRISBOIS BISGAARD & SMITH**

Dated: \_\_\_\_\_

  
By: \_\_\_\_\_  
John Haubrich  
Christopher Harmon  
Attorneys for Defendants, Indian Hill Management, Inc., Webb Family Enterprises, Inc., Kiaco, Inc., 05619, Inc., and 36733, Inc.

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**DEFENDANT**

Dated: \_\_\_\_\_

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[Name of Authorized Signatory]  
**05619, Inc.**

**DEFENDANT**

Dated: \_\_\_\_\_

\_\_\_\_\_  
[Name of Authorized Signatory]  
**36733, Inc.**

**APPROVED AS TO FORM**

**CAPSTONE LAW APC**

Dated: April 24, 2023  
\_\_\_\_\_

By:   
\_\_\_\_\_  
Raul Perez  
Attorneys for Plaintiff, Sally Porter

**LEWIS BRISBOIS BISGAARD & SMITH**

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
John Haubrich  
Christopher Harmon  
Attorneys for Defendants, Indian Hill Management,  
Inc., Webb Family Enterprises, Inc., Kiaco, Inc.,  
05619, Inc., and 36733, Inc.

# Exhibit A

**Porter v. Indian Hill Management Inc., No. CIVSB2026788**  
**SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF SAN BERNARDINO**  
**NOTICE OF CLASS ACTION SETTLEMENT**

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

All persons who worked for Defendants Indian Hill Management, Inc., Webb Family Enterprises, Inc., Kiaco, Inc., 05619, Inc., and 36733, Inc. (“Defendants”) as non-exempt, hourly paid employees at a McDonald’s location in the State of California at any time from November 30, 2016 to April 30, 2021 (“Group One Class Members”).

**To:** All persons who worked for Defendant Webb Family Enterprises, Inc. as non-exempt, hourly paid employees in the State of California at any time from November 30, 2016 to March 13, 2023 (“Group Two Class Members”).

All persons who worked for Defendants as non-exempt, hourly paid employees at a McDonald’s location in the State of California at any time from November 30, 2019 to April 30, 2021 (“Group One PAGA Members”).

All persons who worked for Defendant Webb Family Enterprises, Inc. as non-exempt, hourly paid employees in the State of California at any time from November 30, 2016 to March 13, 2023 (“Group Two PAGA Members”).

On \_\_\_\_\_, the Honorable David Cohn of the San Bernardino County Superior Court granted preliminary approval of this class action and PAGA 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 \_\_:00 \_\_m. on \_\_\_\_\_, 2023 in Department S26 of the San Bernardino County Superior Court located at 247 W. Third St., San Bernardino, California 92415.

You are not required to attend the hearing, but if you wish to attend, you may attend the hearing telephonically (remotely). 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 YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

|                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>You Don’t Have to Do Anything to Participate in the Settlement</b> | If you do nothing, you will be deemed a “Participating Class Member,” and will be eligible for a payment from the Net Settlement Fund and PAGA Fund. In exchange, you will be bound by the terms of the proposed Settlement and give up your right to assert wage and hour claims and PAGA penalty claims against Defendants based on the facts alleged in the Action during the applicable Class Period and PAGA Period. |
|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>You Can Opt-out of the Class Settlement but not the PAGA Settlement</b></p>                                                                                     | <p>If you don't want to fully participate in the proposed Settlement, you can opt-out of the class settlement by sending the Settlement Administrator a written Request for Exclusion. Once excluded, you will no longer be eligible for a payment from the Net Settlement Fund and will not be bound by the terms of the proposed class settlement.</p>                                                                                                                                                                                                                                                                                                                                                                  |
| <p><b>The Opt-out Deadline is [DATE]</b></p>                                                                                                                          | <p>You cannot opt-out of the PAGA portion of the proposed Settlement. PAGA Members remain eligible to receive a payment from the PAGA Fund and must give up their rights to pursue PAGA penalty claims against Defendants based on the facts alleged in the Action during the PAGA Period.</p>                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p><b>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement</b></p> <p><b>Written Objections Must be Submitted by [DATE]</b></p> | <p>All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed class settlement, but not the PAGA settlement.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p><b>You Can Participate in the [DATE] Final Approval Hearing</b></p>                                                                                                | <p>The Court's Final Approval Hearing is scheduled to take place on [DATE] in Department S26 of the San Bernardino County Superior Court located at 247 W. Third St., San Bernardino, California 92415. 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.</p> <p>If the Court grants final approval of the Settlement despite your objection, you will receive a payment from the Net Settlement Fund and you will be bound by the terms of the Settlement.</p> |

### **Summary of the Litigation**

Plaintiff Sally Porter, on her behalf and on behalf of other current and former non-exempt employees, alleges that Defendants violated California state labor laws as a result of their alleged failure to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with meal and rest breaks; (3) reimburse employees for all necessary business expenses; (4) timely pay all wages owed to employees during each pay period and upon termination of their employment; and (5) provide employees with accurate, itemized wage statements.

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 January 11, 2023, the parties participated in a mediation with Hon. Carl J. West (Ret.), an experienced and well-respected class action mediator. With Judge West's guidance, the parties were able to negotiate a complete settlement of Plaintiff's claims.

Counsel for Plaintiff, and the attorneys appointed by the Court to represent the class, Capstone Law APC ("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.

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

Defendants have denied, and continue to deny the factual and legal allegations in the case and believe that they have valid defenses to Plaintiff's claims. By agreeing to settle, Defendants are 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. Defendants have agreed to settle the case as part of a compromise with Plaintiff.

### **Summary of The Proposed Settlement Terms**

Plaintiff and Defendants have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$2,750,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) a Class Representative Enhancement Payment of \$10,000 to Sally Porter for her service on behalf of the class, and for a release of all claims arising out of her employment with Defendants; (3) \$916,666 in attorneys' fees and up to \$15,000 in litigation costs and expenses; (4) a \$200,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA"), inclusive of a \$150,000 payment to the California Labor and Workforce Development Agency ("LWDA") in connection with the PAGA, and a \$50,000 payment ("PAGA Fund") to all PAGA Members; and (5) reasonable Settlement Administrator's fees and expenses currently estimated at \$\_. 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 PAGA Members will receive a proportional share of the \$50,000 PAGA Fund, regardless whether they opt out of the Settlement Class.

**Payments from Net Settlement Fund.** Defendants will calculate the total number of Workweeks worked by each Class Member from: (a) November 30, 2016 to April 30, 2021 for Group One Class Members; and (b) November 30, 2016 to March 13, 2023 for Group Two Class Members ("Class Period"); and the aggregate total number of Workweeks worked by all Class Members during the applicable 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 Defendants' records, you worked during the Class Period in a non-exempt position for a total of \_\_\_\_\_ Workweeks. Accordingly, your estimated payment from the Net Settlement Fund is approximately \$\_\_\_\_\_.

**Payments from PAGA Fund.** Defendants will calculate the total number of Workweeks worked by each PAGA Member from: (a) November 30, 2019 to April 30, 2021 for Group One PAGA Members; and (b) November 30, 2016 to March 13, 2023 for Group Two PAGA Members ("PAGA Period"); and the aggregate total number of Workweeks worked by all PAGA Members during the applicable 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 Defendants' records, you worked during the PAGA Period in a non-exempt position for a total of \_\_\_\_\_ Workweeks. Accordingly, your estimated payment from the PAGA Fund is approximately \$\_\_\_\_\_.

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

**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

c/o \_\_\_\_\_

Fax No. \_\_\_\_\_

If you dispute the information stated above, Defendants' 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 purposes of this settlement, 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.

### **Your Options Under the Settlement**

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

If you 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:** All claims, rights, demands, liabilities, and causes of action, reasonably arising from, or reasonably related to, the same set of operative facts as those set forth in the operative complaint during the applicable Class Period, including: (a) all claims for unpaid overtime; (b) all claims for meal and rest period violations; (c) all claims for unpaid minimum wages; (d) all claims for the failure to reimburse for necessary business expenses; (e) all claims for the failure to timely pay wages upon termination based on the preceding claims; (f) all claims for the failure to timely pay wages during employment based on the preceding claims; (g) all claims for wage statement violations based on the preceding claims; and (h) all claims asserted through California Business & Professions Code §§ 17200, *et seq.*

**Released PAGA Claims:** All claims for civil penalties under California Labor Code §§ 2698, *et seq.*, that were brought or could reasonably have been brought based on the facts alleged in Plaintiff's LWDA letters during the applicable PAGA Period.

#### **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 San Bernardino 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: *Case-Specific 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-\*\*\*-\*\*\*-\*\*\*\***