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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF KERN

LILLY MAXWELL and MARIA
VILLANUEVA individually, and on behalf of
other members of the general public similarly
situated,

Plaintiffs,

vs.

APOYO FINANCIERO, INC., a Delaware
corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: BCV-20-102712

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

JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

This Joint Stipulation of Class Action Settlement and Release (“Settlement” or “Settlement Agreement”) is made and entered into by and between Plaintiffs Lilly Maxwell and Maria Villanueva (“Plaintiffs” or “Class Representatives”), as individuals and on behalf of all others similarly situated, and Defendant Apoyo Financiero, Inc. (“Defendant”) (collectively with Plaintiffs, the “Parties”).

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means *Maxwell v. Apoyo Financiero*, No. BCV-20-102712 (Kern County Superior Court), filed on November 18, 2020. The First Amended Complaint was filed on February 16 2021.
2. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of the Action, and all out-of-pocket costs incurred and to be incurred by Class Counsel in the Action, including but not limited to expert/consultant fees, investigation costs, and costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court’s approval of the Settlement, administering the Settlement, and obtaining entry of a Judgment terminating the Action. Class Counsel will request attorneys’ fees not in excess of one-third (1/3) of the Gross Settlement Amount, or Three Hundred Thirty-Three Thousand Three Hundred Thirty-Three Dollars (\$333,333.00). The Attorneys’ Fees and Costs will also mean and include the additional reimbursement of any costs and expenses associated with Class Counsel’s litigation and settlement of the Action, up to Twenty Thousand Dollars (\$20,000.00), subject to the Court’s approval. Defendant has agreed not to oppose Class Counsel’s request for fees and reimbursement of costs as set forth above.
3. “Class Counsel” means Capstone Law APC.
4. “Class List” means a complete list of all Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator and Class Counsel within twenty-one (21) calendar days after Preliminary Approval of this Settlement.

1 The Class List will be formatted in Microsoft Office Excel and will include each Class
2 Member's full name; most recent mailing address and telephone number; email address if
3 known; Social Security number; dates of employment; and any other relevant information
4 needed to calculate settlement payments.

5 5. "Class Member(s)" or "Settlement Class" means all persons who worked for Defendant in the
6 State of California as hourly paid or non-exempt employees at any time during the period from
7 November 18, 2016 to the earlier of one hundred and twenty (120) calendar days from the date
8 of full execution of this Settlement Agreement, or the date of Preliminary Approval.

9 6. "Class Period" means the period from November 18, 2016 to the earlier of one hundred and
10 twenty (120) calendar days from the date of full execution of this Settlement Agreement, or the
11 date of Preliminary Approval.

12 7. "Class Representative Enhancement Payments" means the amounts to be paid to Plaintiffs in
13 recognition of their effort and work in prosecuting the Action on behalf of Class Members, and
14 for their general release of claims. Subject to the Court granting final approval of this Settlement
15 Agreement and subject to the exhaustion of any and all appeals, Plaintiffs will request Court
16 approval of Class Representative Enhancement Payments of Ten Thousand Dollars
17 (\$10,000.00), each.

18 8. "Court" means the Kern County Superior Court.

19 9. "Defendant" means Defendant Apoyo Financiero, Inc.

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

27 11. "Final Approval" means the date on which the Court enters an order granting final approval of
28 the Settlement Agreement.

12. “Gross Settlement Amount” means the Gross Settlement Amount of One Million Dollars (\$1,000,000.00), to be paid by Defendant 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 Payments, the PAGA Settlement Amount, and Settlement Administration Costs. This Gross Settlement Amount has been agreed to by Plaintiffs and Defendant based on the aggregation of the agreed-upon settlement value of individual claims. In no event will Defendant 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 Defendant. Defendant 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.
13. “Individual Settlement Payment” means each Participating Class Member’s and PAGA Member’s respective shares of the Net Settlement Fund and PAGA Fund.
14. “Net Settlement Fund” means the portion of the Gross Settlement Amount remaining after deducting the Attorneys’ Fees and Costs, the Class Representative Enhancement Payments, 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 Defendant.
15. “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: (i) the objector’s full name, signature, address, and telephone number, (ii) a written statement of all grounds for the objection accompanied by any legal support for such objection; (iii) copies of any papers, briefs, or other documents upon which the objection is based; and (iv) a statement whether the objector intends to appear at the final fairness hearing. Any Class Member who does not submit a timely written objection to the Settlement, or who fails to otherwise comply with the specific and technical requirements of this section, will be foreclosed from objecting to the Settlement and seeking any adjudication or review of the Settlement, by appeal or otherwise.
16. “Notice Packet” means the Notice of Class Action Settlement, substantially in the form attached

as Exhibit A.

17. “PAGA Members” means all persons who worked for Defendant in the State of California as hourly paid or non-exempt employees at any time during the period from December 13, 2019 to the earlier of one hundred and twenty (120) calendar days from the date of full execution of this Settlement Agreement, or the date of Preliminary Approval.

18. “PAGA Period” means the period from December 13, 2019 to the earlier of one hundred and twenty (120) calendar days from the date of full execution of this Settlement Agreement, or the date of Preliminary Approval.

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 Plaintiffs’ 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 Fifty Thousand Dollars (\$50,000.00) of the Gross Settlement Amount will be allocated to the PAGA Settlement. Pursuant to PAGA, Seventy-Five Percent (75%), or Thirty Seven Thousand Five Hundred Dollars (\$37,500.00), 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 Twelve Thousand Five Hundred Dollars (\$12,500.00), of the PAGA Settlement will be disbursed to PAGA Members, regardless whether they request to be excluded from the Settlement Class.

20. “Parties” means Plaintiffs and Defendant collectively.

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

22. “Plaintiffs” means Plaintiffs Lilly Maxwell and Maria Villanueva.

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 any and all claims asserted in the operative class complaint and the letter on file with the LWDA, all claims that could reasonably have been asserted in the operative complaint and LWDA notice, and claims arising out of the same operative facts,

1 including state wage and hour claims for violations of California's Labor Code and Unfair
2 Competition Law based on Defendant's failure to pay all wages due (including minimum wages,
3 straight time wages, and overtime wages), failure to provide compliant meal periods, failure to
4 authorize and permit compliant rest periods, failure to provide accurate and itemized wages
5 statements, failure to timely pay all wages due at the time of termination, failure to reimburse
6 employees for all business-related expenses, and violations of Business and Professions Code
7 section 17200 based on the alleged Labor Code violations, and all damages, interest, penalties,
8 attorneys' fees, costs, and other amounts recoverable under said causes of action under
9 California law, to the extent permissible.

10 25. "Released PAGA Claims" means all claims asserted through California Labor Code §§ 2698, *et*
11 *seq.*, that arise out of or are related to the Released Class Claims during the PAGA Period.

12 26. "Released Parties" means Defendant, its past or present officers, directors, shareholders,
13 employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers
14 and reinsurers, and its respective successors and predecessors in interest, subsidiaries, affiliates,
15 parents and attorneys, if any.

16 27. "Request for Exclusion" means a timely letter submitted by a Class Member indicating a request
17 to be excluded from the Settlement Class. The Request for Exclusion must: (i) set forth the
18 name, address, telephone number and last four digits of the Social Security Number of the Class
19 Member requesting exclusion; (ii) be signed by the Class Member; (iii) be returned to the
20 Settlement Administrator; (iv) clearly state that the Class Member does not wish to be included
21 in the Settlement; and (v) be faxed or postmarked on or before the Response Deadline.

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

29. “Settlement Administration Costs” means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Gross Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The Settlement Administration Costs will be paid from the Gross Settlement Amount, including, if necessary, any such costs in excess of the amount represented by the Settlement Administrator as being the maximum costs necessary to administer the Settlement. Based on an estimated Settlement Class of approximately 650 Class Members, the Settlement Administration Costs are currently estimated to be Twelve Thousand Dollars (\$12,000.00).

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

31. “Workweeks” means the number of days of employment for each Class Member during the Class Period, subtracting days on leave of absence (if any), dividing by seven (7), and rounding up to the nearest whole number. All Class Members will be credited with at least one Workweek during the Class Period, and all PAGA Members will be credited with at least one Workweek during the PAGA Period. The Settlement Administrator will be responsible for calculating the respective number of Workweeks that each Class Member worked during the Class Period and PAGA Period.

TERMS OF AGREEMENT

The Plaintiffs, on behalf of themselves and the Settlement Class, and Defendant agree as follows:

32. Funding of the Gross Settlement Amount. Defendant will make a one-time deposit of the Gross Settlement Amount of One Million Dollars (\$1,000,000.00) into a Qualified Settlement Account to be established by the Settlement Administrator. Defendant will pay the employer’s share of payroll taxes separately. After the Effective Date, the Gross Settlement Amount will be used for:

(i) Individual Settlement Payments; (ii) the Labor and Workforce Development Agency Payment; (iii) the Class Representative Enhancement Payments; (iv) Attorneys' Fees and Costs; and (v) Settlement Administration Costs. Defendant will deposit the Gross Settlement Amount and the employer's share of payroll taxes within twenty-one (21) calendar days of the Effective Date ("Funding Date").

33. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application or motion by Class Counsel for Attorneys' Fees and Costs of not more than Three Hundred Thirty-Three Thousand Three Hundred Thirty-Three Dollars (\$333,333.00), plus the reimbursement of all out-of-pocket costs and expenses associated with Class Counsel's litigation and settlement of the Action (including expert/consultant fees, investigations costs, etc.), not to exceed Twenty Thousand Dollars (\$20,000.00), both of which will be paid from the Gross Settlement Amount.

34. Class Representative Enhancement Payment. In exchange for a general release, and in recognition of their effort and work in prosecuting the Action on behalf of Class Members, Defendant agrees not to oppose or impede any application or motion for Class Representative Enhancement Payments of Ten Thousand Dollars (\$10,000.00), each, to Plaintiffs. The Class Representative Enhancement Payments will be paid from the Gross Settlement Amount and will be in addition to Plaintiffs' Individual Settlement Payment paid pursuant to the Settlement. Plaintiffs will be solely and legally responsible to pay any and all applicable taxes on the Class Representative Enhancement Payments.

35. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross Settlement Amount, which is currently estimated to be \$12,000. These costs, which will be paid from the Gross Settlement Amount, will include, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing Notice Packets, calculating and distributing the Gross Settlement Amount, and providing necessary reports and declarations.

36. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount of Fifty Thousand Dollars (\$50,000.00) from the Gross Settlement Amount will be designated for

satisfaction of Plaintiffs' PAGA claim. Pursuant to PAGA, Seventy-Five Percent (75%), or Thirty Seven Thousand Five Hundred Dollars (\$37,500.00), of this sum will be paid to the LWDA and Twenty-Five Percent (25%), or Twelve Thousand Five Hundred Dollars (\$12,500.00), will be paid to PAGA Members in proportion to the number of Workweeks worked during the PAGA Period.

37. No Right to Exclusion or Objections by Representative Action Members. Because this settlement resolves claims and actions brought pursuant to PAGA by Plaintiffs acting as proxies and as Private Attorneys 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 Settlement. PAGA Members will be bound by the terms of the Settlement Agreement, upon its approval by the Court, regardless of whether he or she cashes any payment received as a result of this Settlement. The Parties also agree that no PAGA Member has the right to object to the terms of the Settlement Agreement.

38. 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 Defendant.

39. 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 Defendant.

40. 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 Class Period and PAGA Period. Specific calculations of Individual Settlement Payments will be made as follows:

40(a) Payments from the Net Settlement Fund. Defendant will calculate the total number of Workweeks worked by each Class Member during the 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 "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

1 Workweeks, resulting in the “Workweek Value.” Each Class Member’s
2 “Individual Settlement Payment” will be calculated by multiplying each
3 individual Class Member’s total number of Workweeks by the Workweek
4 Value. The Individual Settlement Payment will be reduced by any required
5 deductions for each Participating Class Member as specifically set forth
6 herein, including employee-side tax withholdings or deductions. The entire
7 Net Settlement Fund will be disbursed to all Class Members who do not
8 submit timely and valid Requests for Exclusion. If there are any valid and
9 timely Requests for Exclusion, the Settlement Administrator shall
10 proportionately increase the Individual Settlement Payment for each
11 Participating Class Member according to the number of Workweeks
12 worked, so that the amount actually distributed to the Settlement Class
13 equals 100% of the Net Settlement Fund.

14 40(b) Payments from the PAGA Fund. Defendant will calculate the total number
15 of Workweeks worked by each PAGA Member during the PAGA Period
16 and the aggregate total number of Workweeks worked by all PAGA
17 Members during the PAGA Period. To determine each PAGA Member’s
18 estimated “Individual Settlement Payment,” the Settlement Administrator
19 will use the following formula: The PAGA Fund will be divided by the
20 aggregate total number of Workweeks, resulting in the “PAGA Workweek
21 Value.” Each PAGA Member’s “Individual Settlement Payment” will be
22 calculated by multiplying each individual PAGA Member’s total number of
23 Workweeks by the PAGA Workweek Value. The entire PAGA Fund will
24 be disbursed to all PAGA Members.

25 41. No Credit Toward Benefit Plans. The Individual Settlement Payments made to Participating
26 Class Members under this Settlement, as well as any other payments made pursuant to this
27 Settlement, will not be utilized to calculate any additional benefits under any benefit plans to
28 which any Class Members may be eligible, including, but not limited to profit-sharing plans,

1 bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and
2 any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not
3 affect any rights, contributions, or amounts to which any Class Members may be entitled under
4 any benefit plans.

5 42. Administration Process. The Parties agree to cooperate in the administration of the settlement
6 and to make all reasonable efforts to control and minimize the costs and expenses incurred in
7 administration of the Settlement.

8 43. Delivery of the Class List. Within twenty-one (21) calendar days of Preliminary Approval,
9 Defendant will provide the Class List to the Settlement Administrator and to Class Counsel.

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

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

27 46. Notice Packets. All Class Members will be mailed a Notice Packet. Each Notice Packet will
28 provide: (i) information regarding the nature of the Action; (ii) a summary of the Settlement's

principal terms; (iii) the Settlement Class and PAGA Member definitions; (iv) the total number of Workweeks each respective Class Member and PAGA Member worked for Defendant during the Class Period and PAGA Period; (v) each Class Member's and PAGA Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (vi) the dates which comprise the Class Period and PAGA Period; (vii) instructions on how to submit Requests for Exclusion or Notices of Objection; (viii) the deadlines by which the Class Member must postmark or fax Request for Exclusions, or postmark Notices of Objection to the Settlement; and (ix) the claims to be released.

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

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

49. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement Administrator within the Response Deadline. In the case of Requests for Exclusion that are

1 mailed to the Settlement Administrator, the postmark date will be the exclusive means to
2 determine whether a Request for Exclusion has been timely submitted.

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

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

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

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

25 54. Objection Procedures. To object to the Settlement Agreement, a Class Member may either
26 postmark a valid Notice of Objection to the Settlement Administrator on or before the Response
27 Deadline, or appear in person at the Final Approval Hearing. Class Members who fail to object
28 either by submitting a valid Notice of Objection or appearing in person at the Final Approval

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

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

56. Distribution Timing of Individual Settlement Payments. Within ten (10) calendar days of the Funding Date, the Settlement Administrator will issue payments to: (i) Participating Class Members and PAGA Members; (ii) the Labor and Workforce Development Agency; (iii) Plaintiffs; and (iv) Class Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved services performed in connection with the Settlement.

57. Un-cashed Settlement Checks. Funds represented by Individual Settlement Payment checks returned as undeliverable and Individual Settlement Payment checks remaining un-cashed for more than one hundred and eighty (180) calendar days after issuance will be tendered to Legal Aid Foundation of Los Angeles, the cy pres beneficiary. The Parties do not have a connection to or a relationship with the cy pres beneficiary that could reasonably create the appearance of impropriety as between the selection of the cy pres beneficiary as the recipient of the unclaimed residuals and the interests of the class.

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

59. Treatment of Individual Settlement Payments. All Individual Settlement Payments will be allocated as follows: (i) Thirty-Three Percent (33%) of each Individual Settlement Payment will be allocated as wages for which IRS Forms W-2 will be issued; and (ii) Sixty-Seven (67%) will be allocated as non-wages for which IRS Forms 1099-MISC will be issued.

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

61. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiffs and Participating Class Members are not relying on any statement, representation, or calculation by Defendant or by the Settlement Administrator in this regard.

62. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX

1 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO
2 THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER
3 PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS
4 NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY
5 ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX
6 PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND
7 (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY
8 LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH
9 ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER
10 SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
11 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF
12 ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
13 AGREEMENT.

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

18 64. Nullification of Settlement Agreement. In the event that: (i) the Court does not finally approve
19 the Settlement as provided herein; or (ii) the Settlement does not become final for any other
20 reason, then this Settlement Agreement, and any documents generated to bring it into effect, will
21 be null and void. Any order or judgment entered by the Court in furtherance of this Settlement
22 Agreement will likewise be treated as void from the beginning.

23 65. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the Court to request the
24 Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval
25 Order for: (i) conditional certification of the Settlement Class for settlement purposes only, (ii)
26 preliminary approval of the proposed Settlement Agreement, (iii) setting a date for a final
27 fairness hearing. The Preliminary Approval Order will provide for the Notice Packet to be sent
28 to all Class Members as specified herein. In conjunction with the Preliminary Approval hearing,

- 1 Plaintiffs will submit this Settlement Agreement, which sets forth the terms of this Settlement,
2 and will include the proposed Notice of Class Action Settlement, attached as Exhibit A. Class
3 Counsel will be responsible for drafting all documents necessary to obtain preliminary approval.
- 4 66. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the deadlines to
5 postmark Requests for Exclusion or objections to the Settlement Agreement, and with the
6 Court's permission, a final fairness hearing will be conducted to determine the Final Approval of
7 the Settlement Agreement along with the amounts properly payable for: (i) Attorneys' Fees and
8 Costs; (ii) the Class Representative Enhancement Payments; (iii) Individual Settlement
9 Payments; (iv) the Labor and Workforce Development Agency Payment; (v) all Settlement
10 Administration Costs. The final fairness hearing will not be held earlier than thirty (30) calendar
11 days after the Response Deadline. Class Counsel will be responsible for drafting all documents
12 necessary to obtain final approval. Class Counsel will also be responsible for drafting the
13 attorneys' fees and costs application to be heard at the final approval hearing.
- 14 67. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the Court or
15 after the final fairness hearing, the Parties will present the Judgment to the Court for its approval.
16 After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of
17 addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) Settlement
18 administration matters, and (iii) such post-Judgment matters as may be appropriate under court
19 rules or as set forth in this Settlement Agreement. A copy of the Judgment will be posted to the
20 Settlement Administrator's website.
- 21 68. Release by Plaintiffs. Upon the Funding Date, in addition to the claims being released by all
22 Participating Class Members, Plaintiffs will release and forever discharge the Released Parties,
23 to the fullest extent permitted by law, of and from any and all claims, known and unknown,
24 asserted and not asserted, which Plaintiffs have or may have against the Released Parties as of
25 the date of execution of this Settlement Agreement. To the extent the foregoing release is a
26 release to which Section 1542 of the California Civil Code or similar provisions of other
27 applicable law may apply, Plaintiffs expressly waive any and all rights and benefits conferred
28 upon them by the provisions of Section 1542 of the California Civil Code or similar provisions

of applicable law which are as follows:

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.

69. 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.

70. 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.

71. 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.

72. 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

1 Court to resolve such disagreement.

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

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

6 75. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all
7 Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
8 executed counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and
9 scanned copies of the signature page, will be deemed to be one and the same instrument.

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

17 77. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement
18 invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible
19 consistent with applicable precedents so as to define all provisions of this Settlement Agreement
20 valid and enforceable. If any term of this Settlement Agreement is to any extent illegal,
21 otherwise invalid, or incapable of being enforced, such term shall be excluded to the extent of
22 such invalidity or unenforceability; all other terms hereof shall remain in full force and effect;
23 and, to the extent permitted and possible, the invalid or unenforceable term shall be deemed
24 replaced by a term that is valid and enforceable and that comes closest to expressing the intention
25 of such invalid or unenforceable term.

26 78. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
27 certification for purposes of this Settlement only; except, however, that Plaintiffs or Class
28 Counsel may appeal any reduction to the Attorneys' Fees and Costs below the amount they

request from the Court, and either party may appeal any court order that materially alters the Settlement Agreement's terms.

79. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to class action certification for purposes of the Settlement only. If, for any reason, the Settlement is not approved, the stipulation to certification will be void. The Parties further agree that certification for purposes of the Settlement is not an admission that class action certification is proper under the standards applied to contested certification motions and that this Settlement Agreement will not be admissible in this or any other proceeding as evidence that either (i) a class action should be certified or (ii) Defendant is liable to Plaintiffs or any Class Member, other than according to the Settlement's terms.

80. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering into this Settlement, Defendant does not admit, and specifically denies, that it violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, will be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement, this Settlement Agreement and its terms and provisions will not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

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

82. Confidentiality: Up until the date of filing of preliminary approval documents with the court,

1 Plaintiffs, the Settlement Administrator, and Class Counsel shall maintain the confidentiality of
2 all settlement terms, settlement amounts, enhancement awards, release of claims, and settlement
3 value, including any content in the notice to settlement class members, unless necessary or
4 ordered to be disclosed to the court for status hearings. After the filing of preliminary approval
5 documents, Plaintiffs, the Settlement Administrator, and Class Counsel shall make all reasonable
6 efforts to limit communication of settlement terms and amounts to only those instances required
7 by future hearings and to discharge their duties to the Settlement Class, and the content of any
8 communications will be limited to items that are of public record only.

9 83. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement or
10 failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
11 constitute a further waiver by such party of the same or any other condition, covenant, right or
12 remedy.

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

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

24 86. Representation By Counsel. The Parties acknowledge that they have been represented by
25 counsel throughout all negotiations that preceded the execution of this Settlement Agreement,
26 and that this Settlement Agreement has been executed with the consent and advice of counsel.
27 Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the
28 Settlement Agreement.

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

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

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

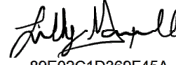
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READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 12/14/2021

Lilly Maxwell

DocuSigned by:

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PLAINTIFF

Dated: 12/14/2021

Maria Villanueva

DocuSigned by:

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DEFENDANT APOYO FINANCIERO, INC.

Dated: 12/21/2021

Name of Authorized Signatory

DocuSigned by:

08C618044C824B5...

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: 12/14/2021

By:

Raul Perez

Attorneys for Plaintiff Lilly Maxwell and Maria Villanueva

MEDINA MCKELVEY LLP

Dated: 12/20/2021

By:

Alexander M. Medina

Attorneys for Defendant Apoyo Financiero, Inc.

Exhibit A

Maxwell v. Apoyo Financiero, No. BCV-20-102712
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF KERN
NOTICE OF CLASS ACTION SETTLEMENT

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

To: All persons who worked for Defendant Apoyo Financiero, Inc. (“Defendant”) in the State of California as hourly paid or non-exempt employees at any time during the period from November 18, 2016 to [the earlier of one hundred and twenty (120) calendar days from the date of full execution of this Settlement Agreement, or the date of Preliminary Approval] (“Class Members”).

All persons who worked for Defendant in the State of California as hourly paid or non-exempt employees at any time during the period from December 13, 2019 to [the earlier of one hundred and twenty (120) calendar days from the date of full execution of this Settlement Agreement, or the date of Preliminary Approval] (“PAGA Members”).

On _____, the Honorable J. Eric Bradshaw of the Kern 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 Defendant’s 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 _____, 2022 in Department J of the Kern County Superior Court located at 1415 Truxtun Avenue, Bakersfield, California 93301.

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 Lilly Maxwell and Maria Villanueva, on their behalf and on behalf of other current and former non-exempt employees, allege that Defendant violated California state labor laws as a result of its 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) timely pay all wages owed to employees during each pay period and upon termination of their employment; (4) provide employees with accurate, itemized wage statements; and (5) reimburse employees for all business-related expenses.

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 November 9, 2021, the parties participated in a mediation with Mark Rudy, Esq., an experienced and well-respected class action mediator. With Mr. Rudy’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 (“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.

Defendant has denied, and continues to deny the factual and legal allegations in the case and believes that it has valid defenses to Plaintiffs' claims. By agreeing to settle, Defendant 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. Defendant has agreed to settle the case as part of a compromise with Plaintiffs.

Summary of The Proposed Settlement Terms

Plaintiffs and Defendant have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$1,000,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) Class Representative Enhancement Payments of \$10,000, each, to Lilly Maxwell and Maria Villanueva for their services on behalf of the class, and for a release of all claims arising out of their employment with Defendant; (3) \$333,333 in attorneys' fees and up to \$20,000 in litigation costs and expenses; (4) a \$50,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA"), inclusive of a \$37,500 payment to the California Labor and Workforce Development Agency ("LWDA") in connection with the PAGA, and a \$12,500 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 PAGA Members will receive a proportional share of the \$12,500 PAGA Fund, regardless whether they opt out of the Settlement Class.

Payments from Net Settlement Fund. Defendant will provide the Settlement Administrator the data to calculate the total number of Workweeks worked by each Class Member from November 18, 2016 to [insert date] ("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 Defendant's 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. Defendant will provide the Settlement Administrator the data to calculate the total number of Workweeks worked by each PAGA Member from December 13, 2019 to [insert date] ("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 Participating 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 Defendant's 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 \$ ____.

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, Defendant'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 purposes of this settlement, 33% of each settlement payment will be allocated as wages for which IRS Forms W-2 will be issued, and 67% 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: Any and all claims asserted in the operative class complaint and the letter on file with the LWDA, all claims that could reasonably have been asserted in the operative complaint and LWDA notice, and claims arising out of the same operative facts, including state wage and hour claims for violations of California's Labor Code and Unfair Competition Law based on Defendant's failure to pay all wages due (including minimum wages, straight time wages, and overtime wages), failure to provide compliant meal periods, failure to authorize and permit compliant rest periods, failure to provide accurate and itemized wages statements, failure to timely pay all wages due at the time of termination, failure to reimburse employees for all business-related expenses, and violations of Business and Professions Code section 17200 based on the alleged Labor Code violations, and all damages, interest, penalties, attorneys' fees, costs, and other amounts recoverable under said causes of action under California law, to the extent permissible.

Released PAGA Claims: All claims asserted through California Labor Code §§ 2698, *et seq.*, that arise out of or are related to the Released Class Claims during the 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.

Settlement Administrator

c/o _____

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

The Request for Exclusion must be postmarked or faxed not later than _____, 2022. If you submit a Request for Exclusion which is not postmarked or faxed by _____, 2022, 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.
- You will, however, 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 _____ 2022. 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 Kern 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 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 (888) 230-4035

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

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