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13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
14 **FOR THE COUNTY OF KERN**

15 CHERYL KEPPLER, as an individual and on
behalf of all others similarly situated,

16 **Plaintiffs,**

17 **v.**

18 CHASE INC., a California corporation; and
19 DOES 1 through 50, inclusive,

20 **Defendants.**

Case No. BCV-21-100637

*Assigned for All Purposes to Honorable
Thomas S. Clark in Department 17*

21 **JOINT STIPULATION OF CLASS**
22 **ACTION SETTLEMENT AND RELEASE**
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1 **JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE**

2 This Joint Stipulation of Class Action Settlement and Release (“Settlement” or “Settlement
3 Agreement”) is made and entered into between CHERYL KEPPLER (“Plaintiff”) on behalf of
4 herself and the putative class members, and CHASE, INC. (“Defendant”) (hereinafter collectively
5 referred to as the “Parties”).

6 It is hereby stipulated and agreed, by and between the undersigned Parties, subject to
7 approval of the Court, that the settlement of this action shall be effectuated upon and subject to the
8 following terms and conditions:

9 **DEFINITIONS**

10 The following capitalized terms, when used in this Joint Stipulation of Settlement and
11 Release, shall have the following meanings:

12 1. “Action” means *Cheryl Keppler v. Chase, Inc., et al.*, Kern Superior Court, Case No.
13 BCV-21-100637.

14 2. “Aggrieved Employees” means all current and former non-exempt employees of
15 Defendant that worked as a cashier at any gas station or truck stop in California at any time from March 19,
16 2019, through the date that the Court grants preliminary approval of the settlement (“PAGA Period”).

17 3. “Attorneys’ Fees and Costs” means attorneys’ fees for Class Counsel’s litigation
18 and resolution of the Action, and all costs incurred and to be incurred by Class Counsel in the
19 Action. Class Counsel will apply for, and Defendant will not oppose, attorneys’ fees not to exceed
20 thirty-five percent (35%) of the Gross Settlement Amount, or One Hundred Sixty Six Thousand
21 Two Hundred Fifty Dollars and 00/100 Cents (\$166,250.00). The Attorneys’ Fees and Costs will
22 also mean and include the additional reimbursement of any costs and expenses incurred in
23 association with Class Counsel’s litigation and settlement of the Action, up to Forty Thousand
24 Dollars (\$40,000.00), subject to the Court’s approval. Defendant has agreed not to oppose Class
25 Counsel’s request for fees and reimbursement of costs as set forth above.

26 4. “Class Counsel” means Diversity Law Group, Law Offices of Choi & Associates,
27 and Hyun Legal, P.C.

28 5. “Class List” means a complete list of all Class Members that Defendant will

1 diligently and in good faith compile from its records and provide to the Settlement Administrator
2 on a confidential basis within twenty (20) calendar days after Preliminary Approval of this
3 Settlement. The Class List will be formatted in Microsoft Office Excel and will include each
4 Class Member's full name; most recent mailing address and telephone number; Social Security
5 number; the respective number of Workweeks that each Class Member worked during the Class
6 Period and the respective number of Workweeks for worked by each Aggrieved Employee during
7 the PAGA Period; and any other relevant information needed to calculate settlement payments.

8 6. "Class Member(s)" or "Settlement Class" means "all current and former non-exempt
9 employees of Defendant that worked as a cashier at any gas station or truck stop in California at any time
10 during the Class Period.

11 7. "Class Period" means the period from March 19, 2017 through the date the Court
12 grants preliminary approval.

13 8. "Class Representative Enhancement Payment" means the amount to be paid to
14 Plaintiff in recognition of her effort and work in prosecuting the Action on behalf of Class
15 Members, and for her general release of claims. Subject to the Court granting final approval of
16 this Settlement Agreement and subject to the exhaustion of any and all appeals, Plaintiff will
17 request Court approval of a Class Representative Enhancement Payment of Ten Thousand Dollars
18 (\$10,000.00).

19 9. "Court" means the Superior Court of the State of California for the County of Kern.

20 10. "Date of Preliminary Approval" means the date the Court enters an Order
21 preliminarily approving this Settlement Agreement, and the exhibits thereto, and setting a hearing
22 for Final Approval of the Settlement and approval of attorney's fees and costs.

23 11. "Defendant" means Defendant Chase, Inc., including its officers, directors,
24 stockholders, owners, operators, predecessors, and successors.

25 12. "Effective Date" means the date on which the Superior Court's Order granting final
26 approval of this Settlement Agreement ("Final Approval Order") becomes final. The Court's
27 Order "becomes final" upon the last of the following to occur:

28 12(a) If there are no objections to this Settlement Agreement, or if any

objection is filed and subsequently withdrawn, the date of granting the Final Approval Order;

12(b) If there are objections to this Settlement Agreement, and if an appeal, review, or writ is not sought from the Order, the 65th day after service of notice of entry of the Final Approval Order; or

12(c) If an appeal, review, or writ is sought from the Final Approval Order, the date after the Final Approval Order is affirmed or the appeal, review, or writ is dismissed or denied, and the Final Approval Order is no longer subject to further review or modification.

13. "Gross Settlement Amount" means the total gross amount of Four Hundred Seventy Five Thousand Dollars and 00/100 Center (\$475,000) to be paid on an "all in," non-reversionary basis. This amount will include all Settlement Class Member payments, Aggrieved Employee payments, PAGA penalties, class representative enhancement, attorneys' fees, costs, and third-party administration costs. The Gross Settlement Amount will not include the employer share of any payroll taxes, which shall be paid separately by Defendant.

14. "Individual Settlement Payment" means each Participating Class Member's respective share of the Net Settlement Amount.

15. "Net Settlement Amount" means the portion of the Gross Settlement Amount eligible to distribution to Participating Class Members after deducting Attorneys' Fees and Costs, the Class Representative Enhancement Payment, the PAGA portion of the settlement payable to the State of California and the PAGA Aggrieved Employees, and Settlement Administration Costs. The Net Settlement Amount will be distributed to Participating Class Members.

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: (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; and (iii) copies of any papers, briefs, or other documents upon which the objection is based.

17. "Notice" means the Notice of Class Action Settlement, substantially in the form

1 attached as Exhibit A.

2 18. "PAGA Aggrieved Employee Payment" shall mean each Aggrieved Employee's
3 share of 25% of the PAGA Amount.

4 19. "PAGA Period" shall mean September 21, 2019 through the date the Court grants
5 preliminary approval.

6 20. "Parties" means Plaintiff and Defendant collectively.

7 21. "Participating Class Members" means all Class Members who do not submit timely
8 and valid Requests for Exclusion.

9 22. "Plaintiff" or "Class Representative" means Plaintiff Sean McBurney.

10 23. "Preliminary Approval" means the Court order granting preliminary approval of
11 the Settlement Agreement.

12 24. "Released Class Claims" means Plaintiff and Class Members release Defendant
13 and any parent, subsidiary, affiliate, predecessor or successor entity, and all agents, employees,
14 contracting parties, joint employers, officers, directors and attorneys thereof (collectively the
15 "Released Parties"), from any and all claims during the Class Period, alleged in the civil
16 Complaint or those that could have been brought based on the claims asserted in the operative
17 complaint and/or the LWDA letter including the following: 1) failure to provide meal periods; 2)
18 failure to provide rest periods, 3) failure to pay overtime including by any improper calculation of
19 the regular rate of pay, 4) failure to furnish accurate itemized wage statements, and 5) failure to
20 timely pay final wages upon separation of employment.

21 25. "Released PAGA Claims" means Plaintiff and Aggrieved Employees release the
22 Released Parties, from any and all penalties under the PAGA during the PAGA Period, predicated
23 on the allegations in the civil Complaint or those that could have been brought based on the claims
24 asserted in the operative complaint and/or the LWDA letter including the following: 1) failure to
25 provide meal periods; 2) failure to provide rest periods, 3) failure to pay overtime including by any
26 improper calculation of the regular rate of pay, 4) failure to furnish accurate itemized wage
27 statements, and 5) failure to timely pay final wages upon separation of employment.

1 26. “Request for Exclusion” or “Opt-Out Request” are used herein interchangeably,
2 and shall mean a Class Member’s written request to be excluded from the Settlement. The
3 Request for Exclusion must: (i) set forth the name, address, telephone number and last four digits
4 of the Social Security Number of the Class Member requesting exclusion; (ii) be signed by the
5 Class Member; (iii) be returned to the Settlement Administrator; (iv) clearly state that the Class
6 Member does not wish to be included in the Settlement; and (v) be faxed or postmarked on or
7 before the Response Deadline.

8 27. “Response Deadline” means the deadline by which Class Members must postmark
9 or fax to the Settlement Administrator Requests for Exclusion, or postmark Notices of Objection
10 to the Settlement Administrator. The Response Deadline will be forty-five (45) calendar days
11 from the initial mailing of the Notice by the Settlement Administrator, unless the 45th day falls on
12 a Sunday or State holiday, in which case the Response Deadline will be extended to the next day
13 on which the U.S. Postal Service is open.

14 28. “Settlement Administration Costs” means the costs payable from the Gross
15 Settlement Amount to the Settlement Administrator for administering this Settlement, including,
16 but not limited to, printing, distributing, and tracking documents for this Settlement, tax reporting,
17 distributing the Gross Settlement Amount, and providing necessary reports and declarations, as
18 requested by the Parties. The Settlement Administration Costs will be paid from the Gross
19 Settlement Amount, including, if necessary, any such costs in excess of the amount represented by
20 the Settlement Administrator as being the maximum costs necessary to administer the Settlement.
21 The Settlement Administration Costs is \$10,000.00.

22 29. “Settlement Administrator,” shall be Phoenix Settlement Administrators. The
23 Parties each represent that they do not have any financial interest in the Settlement Administrator
24 or otherwise have a relationship with the Settlement Administrator that could create a conflict of
25 interest.

26 30. “Workweeks” means the weeks worked by the Settlement Class Members during
27 the Class Period. The Settlement sum is based on total Workweeks during the Class Period not exceeding
28 25,000. Each Aggrieved Employee shall be entitled, provisionally, to a share or shares of the Net

1 Settlement Amount, which shall be a fixed proportional amount of the Net Settlement Amount per work
2 week. The parties will develop a distribution formula for payments to Class Members based on the number
3 of Workweeks worked during the Class Period. Further, Defendant represents that there are approximately
4 25,000 workweeks worked by the Class Members during the Class Period. If the number of Workweeks is
5 more than 5% than the 25,000 workweeks, at Defendant's election, either (1) the Gross Settlement Amount
6 will increase proportionally for the number of wage statements over 26,250 workweeks; or (2) the Class
7 Period shall be revised to end on an earlier date on which the workweeks does not exceed 26,250.

8 **TERMS OF AGREEMENT**

9 The Plaintiff, on behalf of herself and the Settlement Class, and Defendant agree as
10 follows:

11 31. **Funding of the Gross Settlement Amount.** Payment of the Gross Settlement Amount
12 of Four Hundred Seventy Five Thousand Dollars and No Cents (\$475,000.00) shall be made in four
13 payments of \$100,000 each and final payment of \$75,000 paid to the settlement administrator to be held in
14 an interest-bearing QSF account on the first of each month following the date the Court signs an order
15 granting preliminary approval. If final approval is denied, the money shall return to Defendant along with
16 earned interest, if any. Defendant understands that it shall pay its share of employer-side payroll taxes
17 separately from and in addition to the Gross Settlement Amount.

18 32. **Attorneys' Fees and Costs.** Defendant agrees not to oppose or impede any
19 application or motion by Class Counsel for Attorneys' Fees up to 35% of the Gross Settlement
20 Amount (currently estimated at One Hundred Sixty Six Thousand Two Hundred Fifty Dollars and
21 00/100 Cents (\$166,250.00)), plus reimbursement of costs and expenses incurred in association
22 with Class Counsel's litigation and settlement of the Action, not to exceed Forty Thousand Dollars
23 (\$40,000.00), both of which will be paid from the Gross Settlement Amount.

24 33. **Class Representative Enhancement Payment.** Defendant agrees not to oppose an
25 application by Plaintiff for an individual payment of \$10,000, as an incentive award and for her general
26 release of claims. Any such payment will be paid out of the Gross Settlement Amount. Only the amount
27 approved by the Court will be paid to Plaintiff. Any amount of the incentive award/payment for Plaintiff's
28 General Release not approved by the Court will be added to the Net Settlement Amount.

1 34. Settlement Administration Costs. The Settlement Administrator will be paid for
 2 the reasonable costs of administration of the Settlement and distribution of payments from the
 3 Gross Settlement Amount, which is currently estimated to be \$10,000.00. These costs, which will
 4 be paid from the Gross Settlement Amount, will include, *inter alia*, the required tax reporting on
 5 the Individual Settlement Payments, the issuing of 1099 forms, distributing Notices, calculating
 6 and distributing the Gross Settlement Amount, and providing necessary reports and declarations.

7 35. PAGA Amount. The amount of \$20,000 shall be allocated to civil penalties recoverable
 8 under the Private Attorneys General Act, Cal. Lab. Code § 2698, et seq., with 75% to be paid to the State of
 9 California from the Gross Settlement Amount, and 25% to be distributed to the aggrieved employees as
 10 their PAGA Aggrieved Employees Payment. Any additional allocation required by the court or the Labor
 11 Workforce Development Agency will be deducted from the Gross Settlement Amount.

12 36. Net Settlement Amount. The “Net Settlement Amount” is the Gross Settlement
 13 Amount *minus*: (1) Plaintiff’s counsel’s fees and costs; (2) the incentive awards/payment for
 14 general release to Plaintiff; (3) the PAGA Amount; and (4) the cost of administration of settlement.

15 37. Individual Settlement Payment Calculations. Individual Settlement Payments will
 16 be calculated and apportioned from the Net Settlement Amount based on the number of Work
 17 Weeks worked by each Class Member during the Class Period. Specific calculations of Individual
 18 Settlement Payments will be made as follows:

19 37(a) The Settlement Administrator will calculate the total number of
 20 Workweeks for each Class Member during the Class Period and the
 21 aggregate total number of Workweeks for all Class Members during the
 22 Class Period.

23 37(b) To determine each Class Member’s estimated “Individual Settlement
 24 Payment,” the Settlement Administrator will use the following formula:
 25 Each Settlement Class Member shall be entitled to receive a pro rata
 26 portion of the Net Settlement Fund (their “Individual Settlement
 27 Share”), calculated based upon the number of Workweeks during the
 28 Class Period, divided by the total number of Workweeks for all
 Settlement Class Members during said period.

- 1 37(c) The Individual Settlement Payment will be reduced by any required
2 deductions for each Participating Class Members as specifically set
3 forth herein.
- 4 37(d) The entire Net Settlement Amount will be disbursed to all Class
5 Members who do not submit timely and valid Requests for Exclusion.
6 If there are any valid and timely Requests for Exclusion, the Settlement
7 Administrator shall proportionately increase the Individual Settlement
8 Payment for each Participating Class Member according to the number
9 of Workweeks, so that the amount actually distributed to the Settlement
10 Class equals 100% of the Net Settlement Amount.

11 38. PAGA Aggrieved Employees Payments. PAGA Aggrieved Employees Payments
12 will be calculated and apportioned from 25% of the PAGA Amount (\$5,000.00) based on the
13 number of Workweeks worked by each Aggrieved Employee during the PAGA Period. Specific
14 calculations of PAGA Aggrieved Employees Payments will be made as follows:

- 15 38(a) The Settlement Administrator will calculate the total number of
16 Workweeks by each Aggrieved Employee during the PAGA Period and
17 the aggregate total number of weeks worked by all Aggrieved
18 Employees during the PAGA Period.
- 19 38(b) To determine each Aggrieved Employees' estimated "PAGA Aggrieved
20 Employees Payment" the Settlement Administrator will use the
21 following formula: Each Aggrieved Employee shall be entitled to
22 receive a pro rata portion of the 25% of the PAGA Amount (\$5,000),
23 calculated based upon the number of Workweeks worked by all
24 Aggrieved Employees during the PAGA Period, divided by the total
25 number of Workweeks for all Aggrieved Employees during said period.
26 The Settlement Administrator will calculate the number of weeks
27 worked by Aggrieved Employees, the amount to be paid per work week,
28 and the PAGA Aggrieved Employees Payments to be paid to each
 Aggrieved Employee.

1 38(c) The entire 25% of the PAGA Amount (\$5,000.00) will be disbursed to
2 all Aggrieved Employees regardless of whether they submit timely and
3 valid Requests for Exclusion.

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

12 40. Administration Process. The Parties agree to cooperate in the administration of the
13 settlement and to make all reasonable efforts to control and minimize the costs and expenses
14 incurred in administration of the Settlement.

15 41. Delivery of the Class List. Within twenty (20) calendar days of Preliminary
16 Approval, Defendant will provide the Class List, on a confidential basis, to the Settlement
17 Administrator. The Class List will be in an Excel spreadsheet format.

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

22 43. Confirmation of Contact Information in the Class Lists. Prior to mailing, the
23 Settlement Administrator will perform a search based on the National Change of Address
24 Database for information to update and correct for any known or identifiable address changes.
25 Any Notices returned to the Settlement Administrator as non-deliverable on or before the
26 Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding
27 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing
28 on the Notice. If no forwarding address is provided, the Settlement Administrator will promptly

1 attempt to determine the correct address using a skip-trace, or other search using the name, address
2 and/or Social Security number of the Class Member involved, and will then perform a single re-
3 mailing.

4 44. Notices. All Class Members will be mailed a Notice. Each Notice will provide:
5 (i) information regarding the nature of the Action; (ii) a summary of the Settlement's principal
6 terms; (iii) the Settlement Class definition; (iv) the total number of Workweeks each respective
7 Class Member worked for Defendant during the Class Period; (v) each Class Member's estimated
8 Individual Settlement Payment and the formula for calculating Individual Settlement Payments;
9 (vi) the dates which comprise the Class Period; (vii) instructions on how to submit Requests for
10 Exclusion or Notices of Objection; (viii) the deadlines by which the Class Member must postmark
11 or fax Request for Exclusions, or postmark Notices of Objection to the Settlement; and (ix) the
12 claims to be released. The Parties will jointly prepare a Notice to be submitted to the Court for
13 approval prior to mailing.

14 45. Disputes Concerning Individual Settlement Payment Calculations. In calculating
15 each individual Class Member's share of the Net Settlement Amount, Defendant's records
16 regarding Workweeks worked by each Class Member during the Class Period shall be presumed
17 correct. Class Members who challenge Defendant's records must submit a challenge in writing to
18 the Settlement Administrator and will bear the burden of proof, i.e., a Class Member who fails to
19 provide written documentation supporting a different number of Workweeks will have his or her
20 challenge denied. All such challenges must be received by the Response Deadline. Defendant
21 and the Settlement Administrator will coordinate to investigate the challenge and determine
22 whether any correction to the number of Workweeks should be made. In no case will a challenge
23 to the number of Workweeks result in a payment by Defendants in excess of the Gross Settlement
24 Amount. The Settlement Administrator will resolve the challenge and make a final and binding
25 determination without hearing or right of appeal.

26 46. Defective Submissions. If a Class Member's Request for Exclusion is defective as
27 to the requirements listed herein, that Class Member will be given an opportunity to cure the
28 defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3)

1 business days of receiving the defective submission to advise the Class Member that his or her
2 submission is defective and that the defect must be cured to render the Request for Exclusion
3 valid. The Class Member will have until the later of (i) Response Deadline or (ii) fifteen (15)
4 calendar days from the date of the cure letter, whichever date is later, to postmark or fax a revised
5 Request for Exclusion. If the revised Request for Exclusion is not postmarked or received by fax
6 within that period, it will be deemed untimely.

7 47. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
8 Settlement Agreement must sign and postmark a written Request for Exclusion to the Settlement
9 Administrator prior to the Response Deadline. In the case of Requests for Exclusion that are
10 mailed to the Settlement Administrator, the postmark date will be the exclusive means to
11 determine whether a Request for Exclusion has been timely submitted.

12 48. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Upon the
13 Effective Date, any Class Member who does not affirmatively opt-out of the Settlement
14 Agreement by submitting a timely and valid Request for Exclusion will effectively release the
15 Releasees from the Released Claims. Regardless of whether a Class Member opts-out of the
16 Settlement, they will still be bound by the PAGA claims predicated on the claims asserted in the
17 operative complaint and/or the LWDA letter including the following: 1) failure to provide meal periods; 2)
18 failure to provide rest periods, 3) failure to pay overtime including by any improper calculation of the
19 regular rate of pay, 4) failure to furnish accurate itemized wage statements, and 5) failure to timely pay final
20 wages upon separation of employment.

21 49. Objection Procedures. To object to the Settlement Agreement, a Class Member
22 should postmark a valid Notice of Objection to the Settlement Administrator on or before the
23 Response Deadline. At no time will any of the Parties or their counsel seek to solicit or otherwise
24 encourage Class Members to submit written objections to the Settlement Agreement or appeal
25 from the Order and Judgment. Class Counsel will not represent any Class Members with respect
26 to any such objections to this Settlement, nor any future putative Class Members who have timely
27 excluded themselves from the settlement herein.

28 50. Certification Reports Regarding Individual Settlement Payment Calculations. The

1 Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report that
2 certifies the number of Class Members who have submitted valid Requests for Exclusion,
3 objections to the Settlement, and whether any Class Member has submitted a challenge to any
4 information contained in their Notice. Additionally, the Settlement Administrator will provide to
5 counsel for both Parties any updated reports regarding the administration of the Settlement
6 Agreement as needed or requested.

7 51. Distribution Timing of Individual Settlement Payments. Within twenty (20)
8 calendar days of the Effective Date, the Settlement Administrator will issue payments to: (i)
9 Participating Class Members; (ii) Plaintiff; (iii) Class Counsel; and (iv) itself for Court-approved
10 services performed in connection with the Settlement.

11 52. Un-cashed Settlement Checks. Settlement checks will remain valid for a period of 180
12 calendar days after they issue. Any check not cashed within 180 calendar days will be distributed to the
13 California State Controller Unclaimed Property Fund and held in the name of the Settlement Class
14 Member.

15 53. Certification of Completion. Upon completion of administration of the Settlement,
16 the Settlement Administrator will provide a written declaration under oath to certify the total
17 amount that was paid to all class members and ensure that distribution of the un-cashed funds be
18 tendered to the California State Controller Unclaimed Property Fund.

19 54. Treatment of Individual Settlement Payments. Each putative class member's
20 settlement award will be apportioned as follows: 20% wages subject to withholdings and reported on IRS
21 W2 forms and 80% penalties and interest reported by IRS 1099 forms. Defendant understands that it shall
22 pay its share of employer-side payroll taxes separately from and in addition to the Gross Settlement
23 Amount.

24 55. Administration of Taxes by the Settlement Administrator. The Settlement
25 Administrator will be responsible for issuing to Plaintiff, Participating Class Members, and Class
26 Counsel any 1099 forms as may be required by law for all amounts paid pursuant to this
27 Settlement.

28 56. Tax Liability. Defendant, Defendant's counsel and Class Counsel make no

1 representation as to the tax treatment or legal effect of the payments called for hereunder, and
2 Plaintiff and Participating Class Members are not relying on any statement, representation, or
3 calculation by Defendant or by the Settlement Administrator in this regard.

4 57. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
5 PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY
6 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER
7 PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
8 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR
9 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS
10 INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
11 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN
12 THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230
13 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED
14 EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX
15 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
16 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
17 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO
18 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
19 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY
20 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
21 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
22 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
23 OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF
24 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
25 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
26 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
27 AGREEMENT.

28 58. No Prior Assignments. The Parties and their counsel represent, covenant, and

1 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to
2 assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand,
3 action, cause of action or right herein released and discharged.

4 59. Nullification of Settlement Agreement. In the event that: (i) the Court does not
5 finally approve the Settlement as provided herein; or (ii) the Settlement does not become final for
6 any other reason, then this Settlement Agreement, and any documents generated to bring it into
7 effect, will be null and void. Any order or judgment entered by the Court in furtherance of this
8 Settlement Agreement will likewise be treated as void from the beginning. Any funds paid into the
9 Settlement Fund shall be returned to the Defendant, less any deductions for reasonable costs
10 incurred by the Settlement Administrator.

11 60. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to
12 request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary
13 Approval Order for: (i) conditional certification of the Settlement Class for settlement purposes
14 only, (ii) preliminary approval of the proposed Settlement Agreement, (iii) setting a date for a
15 Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the
16 Notice to be sent to all Class Members as specified herein. In conjunction with the Preliminary
17 Approval hearing, Plaintiff will submit this Settlement Agreement, which sets forth the terms of
18 this Settlement, and will include the proposed Notice, which will include the proposed Notice of
19 Class Action Settlement document, attached as Exhibit A. Class Counsel will be responsible for
20 drafting all documents necessary to obtain preliminary approval, subject to the approval of
21 Defendant's counsel.

22 61. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
23 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with
24 the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to
25 determine the Final Approval of the Settlement Agreement along with the amounts properly
26 payable for: (i) Individual Settlement Payments; (ii) the Class Representative Enhancement
27 Payment; (iii) Attorneys' Fees and Costs; (iv) all Settlement Administration Costs; and (v)
28 allocation of PAGA penalties. Class Counsel will be responsible for drafting all documents

1 necessary to obtain final approval. Class Counsel will also be responsible for drafting the
2 attorneys' fees and costs application to be heard at the final approval hearing, subject to approval
3 by Defendant's counsel.

4 62. Court Approval. If the Court fails to approve the settlement for any reason, the settlement
5 shall be considered void *ab initio* and shall be of no force or effect whatsoever and shall not be referred to
6 or utilized for any purpose whatsoever

7 63. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by
8 the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the
9 Judgment to the Court for its approval. After entry of the Judgment, the Court will have
10 continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of
11 the terms of the Settlement, (ii) Settlement administration matters, and (iii) such post-Judgment
12 matters pursuant to Code of Civil Procedure §384 and as may be appropriate under court rules or
13 as set forth in this Settlement Agreement.

14 64. Release by Plaintiff. Plaintiff agrees to further release the Released Parties from any and
15 all claims, demands, rights, liabilities, and/or causes of action, of any form whatsoever, arising under
16 federal, state or local laws, rules, or regulations, whether known or unknown, unforeseen, unanticipated,
17 unsuspected or latent, that have been or could have been asserted by Plaintiff, or the heirs, successors
18 and/or assigns of Plaintiff, whether directly, indirectly, representatively, derivatively or in any other
19 capacity, arising at any time prior to the date that the court grants approval of the settlement. As to the
20 Plaintiff's Released Claims only, Plaintiff expressly waives all rights and benefits under the terms of
21 section 1542 of the California Civil Code Section 1542 reads as follows:

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

26 Notwithstanding the provisions of section 1542, and for the purpose of implementing a full and
27 complete release and discharge of all of their Released Claims, Plaintiff expressly acknowledges that this
28 Settlement is intended to include in its effect, without limitation, all Released Claims which Plaintiff does
not know or suspects to exist in his favor at the time of execution hereof, and that the Settlement

1 contemplates the extinguishment of all such Released Claims.

2 The parties understand that the General Release does not release any claims that they cannot
3 lawfully release. The parties are not waiving any right that cannot be waived by law.

4 It is also understood and agreed by Defendant that this release does not limit Plaintiff from
5 filing and seeking damages for any alleged injury under Workers' Compensation laws and/or
6 unemployment insurance claims that are currently pending, or may be filed in the future. This
7 release is intended to waive and release any claims under Labor Code sections 132a and 4553.

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

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

19 67. Amendment or Modification. No amendment, change, or modification to this
20 Settlement Agreement will be valid unless in writing and signed, either by the Parties or their
21 counsel.

22 68. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant
23 and represent they are expressly authorized by the Parties whom they represent to negotiate this
24 Settlement Agreement and to take all appropriate action required or permitted to be taken by such
25 Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other
26 documents required to effectuate the terms of this Settlement Agreement. The Parties and their
27 counsel will cooperate with each other and use their best efforts to effect the implementation of the
28 Settlement. If the Parties are unable to reach agreement on the form or content of any document

1 needed to implement the Settlement, or on any supplemental provisions that may become
2 necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the
3 Court to resolve such disagreement.

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

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

9 71. Execution and Counterparts. This Settlement Agreement is subject only to the
10 execution of all Parties. However, the Settlement Agreement may be executed in one or more
11 counterparts and by electronic means i.e. DocuSign. All executed counterparts and each of them,
12 including facsimile, electronic means i.e. DocuSign, and scanned copies of the signature page, will
13 be deemed to be one and the same instrument provided that counsel for the Parties will exchange
14 among themselves original signed counterparts.

15 72. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe
16 this Settlement Agreement is a fair, adequate and reasonable settlement of the Action and have
17 arrived at this Settlement after arm's-length negotiations using an experienced class action
18 mediator familiar with this specific type of litigation and in the context of adversarial litigation,
19 taking into account all relevant factors, present and potential. The Parties further acknowledge
20 that they are each represented by competent counsel and that they have had an opportunity to
21 consult with their counsel regarding the fairness and reasonableness of this Settlement.

22 73. Invalidity of Any Provision. Before declaring any provision of this Settlement
23 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest
24 extent possible consistent with applicable precedents so as to define all provisions of this
25 Settlement Agreement valid and enforceable.

26 74. Waiver of Certain Appeals. Upon Final Court Approval, the Parties agree to waive
27 appeals and to stipulate to class certification for purposes of this Settlement only; except, however,
28 that Plaintiff or Class Counsel may appeal any reduction to the Attorneys' Fees and Costs below

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

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

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

25 77. Waiver. No waiver of any condition or covenant contained in this Settlement
26 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered
27 to imply or constitute a further waiver by such party of the same or any other condition, covenant,
28 right or remedy.

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

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

12 80. Representation By Counsel. The Parties acknowledge that they have been
13 represented by counsel throughout all negotiations that preceded the execution of this Settlement
14 Agreement, and that this Settlement Agreement has been executed with the consent and advice of
15 counsel. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the
16 Settlement Agreement.

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

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

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

27 [SIGNATURES APPEAR ON FOLLOWING PAGE]

28 [REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

09 / 13 / 2023

Dated: ~~August~~____, 2023

By _____



Plaintiff Cheryl Keppler

Dated: sep 8, 2023

By _____

Bob Shiralian

Defendant Chase, Inc.

Name: Bob Shiralian

Title: President

9/8/2023

Dated: ~~August~~____, 2023

**DIVERSITY LAW GROUP, P.C.
LAW OFFICES OF CHOI & ASSOCIATES, P.C.
HYUN LEGAL, APC**

By _____



Larry W. Lee

Edward W. Choi

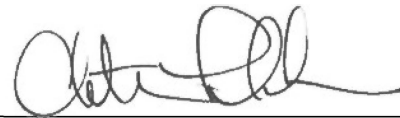
Dennis S. Hyun

Attorneys for Plaintiff Cheryl Keppler

Dated: September 8, 2023

McCORMICK BARSTOW, LLP

By _____



Christina C. Tillman

Attorney for Defendant Chase, Inc.

EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Cheryl Keppler v. Chase Inc.
Kern County Superior Court Case No. BCV-21-100637

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.

IF YOU WORKED AS A NON-EXEMPT EMPLOYEE OF CHASE INC. ("DEFENDANT") WHO WORKED AS A CASHIER AT ANY GAS STATION OR TRUCK STOP IN CALIFORNIA AT ANY TIME BETWEEN MARCH 19, 2017 AND [PRELIM APPROVAL DATE], THIS PROPOSED CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.

Why should you read this Notice?

A proposed settlement (the "Settlement") has been reached in a lawsuit entitled *Keppler v. Chase Inc.*, Kern County Superior Court Case No. BCV-21-100637 (the "Action"). The purpose of this Notice of Proposed Class Action Settlement ("Notice") is to briefly describe the Action and to inform you of your rights and options in connection with the Action and the proposed Settlement.

The proposed Settlement will resolve all claims in the Action. A hearing concerning final approval of the proposed Settlement will be held before the Hon. Thomas S. Clark on [DATE] in Department 17 of the Kern County Superior Court, Metropolitan Division, located at 1415 Truxtun Avenue, Bakersfield, CA 93301, to determine whether the Settlement is fair, adequate and reasonable. Defendant's records have identified you as someone who worked for Defendant as a non-exempt employee during the relevant time period. As such, you are eligible to receive an individual Settlement Payment under the Settlement and will be bound by the release of claims described in this Notice and the Settlement Agreement filed with the Court, unless you timely request to be excluded from the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

DO NOTHING	If you do nothing, you will be considered part of the settlement and will receive settlement benefits as explained more fully below. You will also give up rights to pursue a separate legal action against Defendant for the Released Claims asserted in the Action as explained more fully below.
EXCLUDE YOURSELF FROM THE SETTLEMENT DEADLINE TO EXCLUDE YOURSELF: [DATE]	You have the option to pursue separate legal action against Defendant about the claims in the Action. If you choose to do so, you must exclude yourself, in writing, from the Settlement by submitting a written Request to be Excluded. As a result, you will not receive any benefits under the Settlement. Except that, even if you request exclusion, you will receive payment for eligible PAGA Penalties, and you will release PAGA claims as discussed below.
OBJECT TO THE SETTLEMENT DEADLINE TO SUBMIT WRITTEN OBJECTIONS:	To object to the Settlement, you may mail a written explanation of why you do not agree with the Settlement to the Settlement Administrator, appear at the final approval hearing, or hire an attorney at your expense to object for you. This option is available only if you do <u>not</u> exclude yourself from the Settlement. Do <u>not</u> submit a Request to be Excluded if you wish to object.

Who is affected by this proposed Settlement?

The Court has certified, for settlement purposes only, the following class (the “Settlement Class”):

All persons who worked as a cashier at any gas station or truck stop for Defendant in California as a, non-exempt employee at any time between March 19, 2017 and [PRELIM APPROVAL DATE].

According to Defendant’s records, you are a member of the Settlement Class (“Settlement Class Member”).

What is this case about?

In the Action, Plaintiff Cheryl Keppler (“Plaintiff”) on behalf of herself and the Settlement Class, alleges that Defendant: (1) Failed to Timely Pay Final Wages at Termination; (2) Failed to Pay Overtime (3) Failed to Provide Rest Breaks/M meal Periods (4) Failed to Provide Accurate Itemized Wage Statements; (5) Committed Unfair Business Practices; and (6) violated provisions of the Labor Code giving rise to civil penalty liability under the Labor Code Private Attorneys General Act of 2004 [Lab. Code § 2699, et seq.]. Plaintiff seeks unpaid wages, actual damages, declaratory relief, statutory penalties, civil penalties under PAGA, restitution, interest, attorneys’ fees, and costs.

Defendant denies all liability and is confident that it has strong legal and factual defenses to these claims, but it recognizes the risks, distractions, and significant expense associated with litigation. Defendant contends that its conduct is and has been lawful at all times relevant and that Plaintiff’s claims do not have merit and do not meet the requirements for class certification.

This Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiff and Defendant (the “Parties”), through their attorneys, and is not an admission of liability on the part of Defendant. Both sides agree that this Settlement is fair, adequate and reasonable. Plaintiff also believes this Settlement is in the best interests of all Settlement Class Members.

The Court has not ruled on the merits of Plaintiff’s claims or Defendant’s defenses.

Who are the attorneys representing the Plaintiff and Class?

The attorneys representing the Plaintiff and Class in the Action are:

Class Counsel

Larry W. Lee (State Bar No. 228175)

DIVERSITY LAW GROUP, P.C.

515 S. Figueroa St., Suite 1250

Los Angeles, CA 90071

(213) 488-6555

(213) 488-6554 facsimile

Dennis S. Hyun (State Bar No. 224240)

HYUN LEGAL, APC

515 S. Figueroa St., Suite 1250

Los Angeles, CA 90071

(213) 488-6555

(213) 488-6554 facsimile

Edward W. Choi, State Bar No. 211334

LAW OFFICES OF CHOI & ASSOCIATES, APLC

515 S. Figueroa St. Suite 1250

Los Angeles, CA 90010

Telephone: (213) 381-1515

Facsimile: (213) 465-4885

What are the Settlement terms?

Subject to final Court approval, Defendant will pay \$475,000 (the "Gross Settlement Amount") for: (a) individual Settlement Payments to Settlement Class Members; (b) the Court-approved Class Representative Service Payment to Plaintiff (\$10,000); (c) the Court-approved attorneys' fees and costs to Class Counsel (\$166,250.00 in fees and up to \$40,000 in costs to be requested); (d) payment to the Labor and Workforce Development Agency ("LWDA") for alleged PAGA penalties (\$15,000 of a total of \$20,000 allocated to PAGA penalties); and (e) payment to the Settlement Administrator for settlement administration services (up to an estimated maximum of \$10,000).

Individual Settlement Payments. After deduction from the Gross Settlement Amount for attorneys' fees and costs, the Class Representative Service Payment to Plaintiff, the payment to the LWDA, and settlement administration costs, there will be a Net Settlement Amount. From this Net Settlement Amount, Defendant will make an individual Settlement Payment to each Class Member who does not request to be excluded from the Settlement ("Settlement Class Members").

Upon preliminary approval of the Settlement by the Court, Defendant will make a one-time payment of \$475,000 into a qualified settlement account established by the Settlement Administrator. A pro-rated portion of your Individual Settlement Payment will be mailed to you within 14 days after the Effective Date of the settlement.

The Net Settlement Amount shall be divided among all Settlement Class Members on a pro rata basis based upon the total number of workweeks worked by each respective Settlement Class Member as a non-exempt hourly employee in the State of California during the Class Period. Your estimated individual Settlement Payment is listed below.

Your estimated minimum settlement payment is **\$(Estimated Amount)** (less applicable withholdings) and your covered Work Weeks worked during the relevant period between March 19, 2017 and [PRELIM APPROVAL DATE] are **#[# of Work Weeks]**. Your estimated Individual PAGA Payment is **\$(Estimated Amount)** based on Defendant records showing that had **#[# of pay periods]** pay periods during the relevant period between March 19, 2017 and [PRELIM APPROVAL DATE] (if no amount is stated for your Individual PAGA Payment, then according to Defendant's records you are not eligible for an Individual PAGA Payment because you did not work during the PAGA Period. To the extent you dispute the number of Work Weeks or Pay Periods, you must make your dispute ("Work Week Dispute") in writing and send it to the Settlement Administrator via fax or mail. Your

Settlement
Administrator
Mailing Address

Work Week Dispute must be postmarked or faxed no later than [DATE] (the "Response Deadline") to:

Your Work Week Dispute must be in writing and contain: (a) your full name, signature, address, telephone number, and the last four digits of your Social Security number; (b) the number of Work Weeks you contend is correct; and (c) any evidence supporting your contention. Defendant's records will be presumed correct unless you prove otherwise by credible evidence. The Settlement Administrator will resolve and decide all Work Week Disputes, and its' decisions will be reviewable by the Court during the Final Approval Hearing. **REMINDER:** If you believe your estimated individual Settlement Amount is incorrect because your Work Weeks (the number of total weeks you worked within the Settlement Class Period only) are wrong, the deadline to dispute the workweeks reported for you is [DATE].

For tax reporting purposes, the payments to Settlement Class Members will be allocated 20% wages subject to withholdings and reported on IRS W2 forms and 80% penalties and interest, excluding the PAGA Settlement Payments, which will be allocated as 100% penalties. The wage portion of the individual Settlement Payments shall be subject to the withholding of applicable local, state, and federal taxes, and the Settlement Administrator shall deduct applicable employee-side payroll taxes from the wage portion of the individual Settlement Payments. The portion of the Settlement Payments allocated to penalties and interest shall be classified as other

miscellaneous income and reported on IRS Form 1099-MISC. Any taxes owed on that other miscellaneous income will be the responsibility of Settlement Class Members receiving those payments. Defendant will be responsible for the employer's share of payroll taxes, separate and apart from the Class Fund.

All checks for individual Settlement Payments paid to Settlement Class Members shall advise that the checks will remain valid and negotiable for one hundred eighty (180) days from the date of the checks' issuance and shall thereafter automatically be void if not cashed by a participating Class Member within that time. Any individual Settlement Payment that is not cashed by a Settlement Class Member within one hundred eighty (180) days of issuance shall be transmitted to the California State Controller's Office for Unclaimed Property in the name of each Settlement Class Member who failed to cash their Settlement Payment check prior to the void date. The Settlement Administrator shall void any tax documents issued to Settlement Class Members who did not cash their checks within 180 days of issuance. In such event, the Settlement Class Member shall nevertheless remain bound by the Settlement.

None of the Parties or attorneys make any representations concerning the tax consequences of this Settlement or your participation in it. Settlement Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Settlement Class Member.

Class Counsel Attorneys' Fees and Costs, Class Representative Service Awards, Settlement Administration Costs and Payment to the LWDA. Class Counsel will ask the Court to award attorneys' fees up to \$166,250.00 (thirty-five percent) of the Gross Settlement Amount and reimbursement of reasonable costs incurred in the Action not to exceed \$40,000. In addition, Class Counsel will ask the Court to authorize a Class Representative Service Payment of up to \$10,000 to Plaintiff for her efforts in bringing the case on behalf of the Class. The Parties estimate the cost of administering the Settlement will not exceed \$10,000. A payment in the amount of \$15,000.00 will also be made to the LWDA for PAGA penalties, which represents 75% of the \$20,000 set aside for payment under PAGA.

What claims are being released by the proposed Settlement?

Upon the final approval by the Court of this Settlement and payment of all funds due under this Settlement, and except as to such rights or claims as may be created by this Settlement, the Class Representatives, and each Settlement Class Member who has not submitted a valid and timely request for exclusion as to claims other than the PAGA claim, will release claims as follows:

- (a) **Identity of Released Parties.** Defendant and any parent, subsidiary, affiliate, predecessor or successor entity, and all agents, employees, contracting parties, joint employers, officers, directors and attorneys thereof. (collectively "Releasees").
- (b) **Date Release Becomes Active.** The Released Claims will be released upon the Settlement's Effective Date and payment by Defendant of all funds due under the settlement. Settlement Class Members will not release the Released Claims or Released PAGA Claims until the Effective Date and payment by Defendant of all funds due under the settlement.
- (c) **Claims Released by Settlement Class Members.** Each and every Settlement Class Member, on behalf of themselves and their heirs and assigns, unless they have submitted a timely and valid Request for Exclusion (which will not effectuate an opt-out from the release of Released PAGA Claims), hereby releases Releasees from the following claims for the entire Class Period:
 - 1) All Participating Class Members, on behalf of themselves and their respective former and present spouses, family members, representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from any and all claims during the Class Period, alleged in the civil Complaint or those that could have been brought based on the claims asserted in the operative complaint

and/or the LWDA PAGA Notice letter including the following: 1) failure to provide meal periods; 2) failure to provide rest periods, 3) failure to pay overtime including by any improper calculation of the regular rate of pay, 4) failure to furnish accurate itemized wage statements, and 5) failure to timely pay final wages upon separation of employment; and

- 2) All Settlement Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present spouses, family members, representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from any and all penalties under the PAGA during the PAGA Period, predicated on the allegations in the civil Complaint or those that could have been brought based on the claims asserted in the operative complaint and/or the LWDA PAGA Notice letter including the following: 1) failure to provide meal periods; 2) failure to provide rest periods, 3) failure to pay overtime including by any improper calculation of the regular rate of pay, 4) failure to furnish accurate itemized wage statements, and 5) failure to timely pay final wages upon separation of employment.

What are my options in this matter?

You have three options under this Settlement, each of which is further discussed below. You may: (A) remain in the Settlement Class and receive an individual Settlement Payment; (B) if you choose option (A), you may also object to the Settlement, as explained below; or (C) exclude yourself from the Settlement.

If you remain in the Settlement Class, you will receive a settlement payment and you will be subject to any Judgment that will be entered in the Action, including the release of the Released Claims as described above.

OPTION A. Remain in the Settlement Class. If you wish to remain in the Settlement Class and be eligible to receive an individual Settlement Payment under the Settlement, **you do not need to take any action.** By remaining in the Settlement Class and receiving settlement monies, you consent to the release of the Released Claims as described above.

Any amount paid to Settlement Class Members will not count or be counted for determination of eligibility for, or calculation of, any employee benefits (for example, vacations, holiday pay, retirement plans, non-qualified deferred compensation plans, etc.), or otherwise modify any eligibility criteria under any employee pension benefit plan or employee welfare plan sponsored by Defendant, unless otherwise required by law.

OPTION B. Objecting to the Settlement: If you believe the proposed Settlement is not fair, reasonable, or adequate in any way, you have several options that you may use to object to it or express any concerns. To object, you may appear in person at the Final Approval Hearing, have an attorney object for you, or submit a written brief or statement of objection (“written objection”) to the Settlement Administrator at [Settlement Administrator’s Address]. If you submit a written objection, it should contain sufficient information to confirm your identity and the basis of the objection, including: (1) your full name; (2) the grounds for the objection; (3) your signature; and (4) be postmarked on or before [DATE] and returned to the Settlement Administrator at the address listed above to ensure that it is received in time to be transmitted to and considered by the Court. You can also hire an attorney at your own expense to represent you in your objection. The Parties shall file responses to any written objections before the final approval hearing. Regardless of whether you object in writing, the Court may, in its sole discretion, permit you to state any objections you may have at the Settlement Hearing. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of Released Claims as set forth above, unless the Settlement is not finally approved by the Court.**

Regardless of the form, an objection, alone will not satisfy the requirement that a Settlement Class Member must formally intervene and become a party of record in the action to appeal a Judgment entered following an Order finally approving this Settlement, as is required under the California Supreme Court decision of *Hernandez v. Restoration Hardware*, 4 Cal. 5th 260 (2018).

OPTION C. Request to Be Excluded from the Settlement and Receive No Money from the Settlement. If you do not want to be part of the Settlement, you must submit a written request to be excluded from the Settlement to the Settlement Administrator at [Settlement Administrator's Address]. In order to be valid, your written request to be excluded from the Settlement must be signed and include your name, address, and telephone number (to confirm your identity and make certain that only persons requesting exclusion are removed from the settlement).

Your written request to be excluded from the Settlement must then be signed and postmarked on or before [DATE]. If you do not submit a written request to be excluded from the Settlement on time (as evidenced by the postmark), your written request to be excluded from the Settlement will be rejected, you will be deemed a participating Settlement Class Member, and you will be bound by the release of Released Claims as described above and all other terms of the Settlement. If you submit a written request to be excluded from the Settlement by the deadline to request exclusion, you will have no further role in the Action. **You will not be entitled to any benefit, including money,** as a result of the Action and Settlement – except that you will still receive payment for and release claims for Civil Penalties under PAGA. You will not be able to complain to the Court about any aspect of the Settlement.

What is the next step in the approval of the Settlement?

The Court will hold a Final Approval Hearing regarding the fairness, reasonableness, and adequacy of the proposed Settlement, the plan of distribution, Class Counsel's request for attorneys' fees and costs, the Class Representative Service Payment to Plaintiff, the settlement administration costs, and the payment to the LWDA for PAGA penalties on [DATE] at [TIME] in Department 17 of the Kern County Superior Court, Metropolitan Division, located at 1415 Truxtun Avenue, Bakersfield, CA 93301. The Final Approval Hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing to receive an individual Settlement Payment.

How can I get additional information?

This Notice summarizes the Action and the basic terms of the Settlement. More details are in the Joint Stipulation of Class Action Settlement and Release filed in the Kern County Superior Court. The Joint Stipulation of Class Action Settlement and Release and all other records relating to the lawsuit are available for inspection and/or copying at the Civil Records Office of the Kern County Superior Court. You may also request a copy of the Settlement Agreement from Class Counsel referenced above or the Settlement Administrator.

PLEASE DO NOT OTHERWISE CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.