

Zack Broslavsky (State Bar No. 241736)
Jonathan A. Weinman (State Bar No. 256553)
BROSLAVSKY & WEINMAN, LLP
1500 Rosecrans Ave., Suite 500
Manhattan Beach, CA 90266
Phone: (310) 575-2550
Fax: (310) 464-3550

Dennis S. Hyun (State Bar No. 224240)
HYUN LEGAL, APC
515 S. Figueroa St., Suite 1250
Los Angeles, California 90071
(213) 488-6555
(213) 488-6554 facsimile

Attorneys for Plaintiffs and the Class

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

RAEIGN VELASQUEZ, MIKAYLA ASEVO
and ERIC RIVAS on behalf of themselves and
on behalf of all persons similarly situated

Plaintiffs,

v.

TEAM BLAZE, a California Corporation;
GHOLAMREZA MEDALI, an individual; and
DOES 1 to 100, inclusive,

Defendants.

Case No. 30-2021-01187932-CU-OE-CXC

[Assigned for all purposes to the Hon. Peter J.
Wilson, Dept. CX101]

**DECLARATION OF DENNIS S. HYUN IN
SUPPORT OF PLAINTIFFS' MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Date: October 26, 2023
Time: 2:00 p.m.
Dept.: CX101

Complaint Filed: March 9, 2021
Trial Date: Not set

1 I, DENNIS S. HYUN, hereby declare and state as follows:

2 1. I have personal knowledge of the facts contained in this declaration, and if called
3 as a witness, could and would testify as to their accuracy.

4 2. I am an attorney admitted to practice in the State of California and I am a
5 shareholder in Hyun Legal, APC. I am one of the lawyers responsible for representing Plaintiffs
6 Eric Rivas, Raign Velasquez, and Mikayla Asevo (collectively, "Plaintiffs") in the above-
7 captioned matter.

8 3. I am one of the primary attorneys on this matter. My qualifications are as
9 follows: I received my JD from Loyola Law School in 2002. I was named to the Dean's Honor
10 List from 2000-2002. During law school, I was a Senior Research Editor for Loyola
11 International & Comparative Law Review. I was also a research assistant for Professor
12 Levenson, an extern at the U.S. District Court for the Honorable Audrey B. Collins, and a clerk
13 at the U.S. Attorney's Office, Criminal Division. I also served as a summer law clerk at the
14 white-collar criminal defense firm, Lightfoot, Vandeveld, *et al.*, which became part of Crowell
15 & Moring LLP. Upon graduation from law school, I served as a research attorney in the Los
16 Angeles County Superior Court for the Hon. J. Stephen Czuleger, the Hon. Owen Lee Kwong,
17 the Hon. Laurie D. Zelon, and the Hon. Joanne B. O'Donnell. After my clerkship ended, I
18 practiced as a labor and employment associate for the next 8 years, including most recently as a
19 senior associate at Seyfarth Shaw LLP, as well as DLA Piper LLP (US), and Morgan, Lewis &
20 Bockius LLP. I am currently a shareholder in the law firm Hyun Legal, APC.

22 4. My primary practice has been employment law throughout my entire private
23 career. I have handled a number of wage and hour matters including class actions and individual
24 actions, on behalf of plaintiffs and defendants. I have a practice that encompasses cases in the
25 Orange County Superior Courts, the Los Angeles County Superior Courts, the San Diego County
26 Superior Courts, the United States District Courts for the Southern, Central, Northern and
27 Eastern Districts of California, the California Court of Appeal, and the Ninth Circuit.

28 5. I have served as Class Defense Counsel in a number of wage and hour class

actions, including but not limited to: *Bradley v. Networkers Int'l, LLC*, 211 Cal. App. 4th 1129 (2012); *Chiu v. Citrix Systems, Inc.*, C.D. Cal. Case No. SACV11-01121 DOC (RNBx); *Hodge v. Aon Insurance*, Los Angeles Sup. Ct. Case No. BC 265725; *Hoyng v. Aon Insurance*, Los Angeles Sup. Ct. Case No. BC 377184; *Jimenez v. Allstate Ins. Co.*, C.D. Cal. Case No. CV10-08486 JAK (FFMx); *Marino v. BP West Coast Products*, Los Angeles Sup. Ct. Case No. BC 357987; *McEntee v. Ryland Homes*, Los Angeles Sup. Ct. Case No. BC 390868; *McKinstry v. Accenture*, C.D. Cal. Case No. SACV11-1335 DOC (ANx); *Munoz v. Decron Properties*, Los Angeles Sup. Ct. Case No. BC387644; and *Rodriguez v. BP West Coast Products*, Los Angeles Sup. Ct. Case No. BC 350736. As defense counsel, I have taken over 50 class member and individual/representative plaintiff depositions. I have drafted class certification and decertification papers, including in *Bradley*, which was initially affirmed by the Court of Appeal, but reversed pursuant to *Brinker v. Superior Court*, 53 Cal. 4th 1003 (2012).

6. Currently, I am and/or was lead plaintiff's counsel in the following wage and hour class or representative actions: *Asad v. Chevron Stations, Inc.*, Los Angeles Sup. Ct. Case No. BC470198; *Barrera v. Home Depot (USA), Inc.*, N.D. Cal. Case No.: C 12 5199 LHK (HRL); *Bararsani v. Coldwell Banker*, Los Angeles Sup. Ct. Case No. BC495767; *Barreras v. Michaels Stores, Inc.*, N.D. Cal. Case No. C12-04474 PJH; *Brown v. CVS Pharmacy, Inc.*, C.D. Cal. Case No. 2:15-cv-07631-PSG-PJW; *Chatman v. RMI Int'l, Inc.*, Los Angeles Sup. Ct. Case No. BC 495755; *Chavez v. Converse, Inc.*, N.D. Cal. Case No. 15-cv-03746-NC; *Dynabursky v. AlliedBarton, LLC, et al.*, C.D. Cal. Case No. 8:12-cv-02210-JLS-RNB; *Gonzales v. Wells Fargo Bank, N.A.*, Los Angeles Sup. Ct. Case No. BC502826; *Lao v. H&M Hennes & Mauritz*, N.D. Cal. Case No. 5:16-cv-333 EJD; *Lee v. The Pep Boys Manny Moe & Jack of California*, Los Angeles Sup. Ct. Case No. BC 496075; *Magadia v. Wal-Mart Assocs.*, N.D. Cal. Case No. 5:17-cv-00062-LHK; *Naranjo v. Bank of America, N.A.*, N.D. Cal. Case No. C 14-02748 LHK; *Ortegon-Ramirez v. Cedar Fair*, Santa Clara Sup. Ct. Case No. 1-13-CV-254098; *Pace v. PetSmart, Inc.*, C.D. Cal. Case No. SACV13-500 DOC; *Rodriguez v. NIKE Retail Services, Inc.*, N.D. Cal. Case No. 5:14-CV-1508 BLF; *Stafford v. Brink's, Incorporated*, Case No. CV 14-

1 01352 MWF (PLAx) and *Vass v. Gardner Trucking*, San Joaquin Sup. Ct. Case No. 39-2013-
2 294819-CU-OE-STK. Additionally, in *Chavez*, Case No. 15-cv-03746-NC, *Dynabursky* Case
3 No. 8:12-cv-02210-JLS-RNB, *Pace*, Case No. SACV13-500 DOC, *Rodriguez*, Case No. 5:14-
4 CV-1508 BLF, *Stafford*, Case No. 14-01352 MWF (PLAx), *Gonzales*, Los Angeles Sup. Ct.
5 Case No. BC502826, and *Magadia*, Case No. 5:17-cv-00062-LHK, I was certified as class
6 counsel pursuant to the plaintiff's motion for class certification. Further, in *Stafford* and
7 *Magadia*, we tried these certified class claims via bench trial and prevailed. In *Magadia*, we
8 obtained a \$102 million judgment for the class against Walmart, which was reversed on appeal
9 by the Ninth Circuit. Moreover, I have been approved as class counsel in connection with
10 numerous class settlements.

11 7. From the inception of the case, Plaintiff's counsel has zealously represented the
12 interests of Plaintiff and the putative class. The settlement was obtained for the benefit of the
13 class, as opposed to Plaintiffs. Based on my review of all the information, and based on my
14 experience in wage and hour litigation, I believe this settlement to be fair, adequate, and
15 reasonable. Although Plaintiffs believe that a class can be certified, Plaintiffs also believe in the
16 fairness of the settlement that is based on factoring in the uncertainty and risks to Plaintiffs
17 involved in not prevailing on one or more of the causes of action or theories alleged in the
18 Complaint, the possibility of non-certification and potential for appeals. Plaintiffs also took into
19 consideration Defendants TEAM BLAZE D.B.A. BLAZE PIZZA and GHOLMAREZA
20 MEDALI's (collectively "Defendants") (Plaintiffs and Defendants collectively, the "Parties")
21 financial ability to pay. Each side has apprised the other of their respective factual contentions,
22 legal theories, and defenses, resulting in negotiations taking place between the Parties.

24 8. After the filing of the Action, Plaintiffs propounded formal discovery consisting
25 of Special Interrogatories and Requests for Production. Plaintiffs and Defendants then agreed to
26 focus their efforts on mediation, including the informal discovery consisting of the production of
27 policy records, time records, and payroll records for employees, as well as other data regarding
28 Defendants' employees. Plaintiffs were provided with a sampling of time and pay records

1 produced by Defendants for employees across Los Angeles and Orange Counties, which
2 included the records from 126 randomly selected class members, which at the time represented
3 approximately 8.5% of the putative class. Plaintiffs' counsel then retained EconOne to conduct a
4 damage analysis. Plaintiffs' expert extrapolated from the sampling to the entire putative class.
5 Accordingly, the Parties exchanged substantial informal discovery and engaged in conferences
6 regarding Plaintiffs' claims and the claims of the alleged aggrieved employees, the value of those
7 claims, and Defendants' defenses to those claims. On February 10, 2022, the Parties attended a
8 full-day mediation with experienced employment law mediator and retired judge Hon. Steven R.
9 Denton (Ret.), in an effort to resolve this class and representative action. The Parties did not
10 reach a settlement at mediation, but they continued their settlement negotiations. The Parties
11 retained Karl Ehlert of Matson, Driscoll & Damico, LLP, a forensic accounting firm, to review
12 Defendants' financial records and provide the Parties and their counsel with Mr. Ehlert's opinion
13 as to the amount that Defendants could afford in settlement. Based on Mr. Ehlert's assistance
14 and findings, and months of continued negotiations, the Parties ultimately reached this
15 settlement. The Parties negotiated the amount to be paid to the Class for the Labor Code
16 violations and PAGA penalties, including the attorneys' fees and costs, Class Representative
17 Enhancement Payment, and Settlement Administration Costs. Attached hereto as Exhibit "A" is
18 a true and correct copy of the Class and Representative Action Settlement Agreement
19 ("Settlement Agreement," "Settlement," or "Agreement"), which attaches the Notice of
20 Settlement, Proposed Order Granting Preliminary Approval and Proposed Order Granting Final
21 Approval as Exhibits 1 through 3, respectively. Further, the Notice of Settlement attaches the
22 Request for Exclusion Form.
23

- 24 9. Plaintiffs analyzed Defendants' potential maximum exposure as follows:
- 25 a. Failure to pay all regular, minimum, and overtime wages owed: Plaintiffs
26 allege that Defendants failed to pay all wages, including having class
27 members check and respond to text messages and cell phone calls outside of
28 working hours and not paying for that time, as well requiring them to attend

meetings and not paying for the entire time. Based on an analysis of the data, Plaintiffs estimated that the amount of back wages owed was approximately \$221,190.00, which was calculated by estimating 5 minutes off the clock work per shift and using the average rate of pay of \$12.87.

- b. Meal & Rest Period Claims: Plaintiffs alleged they and similarly situated employees were routinely not provided duty-free and/or timely meal/rest periods based on being unable to timely take meal and rest breaks. Records reviewed by Plaintiffs' expert demonstrated an approximate 63% violation rate for meal periods, which Plaintiffs calculated would result in approximately \$1.575 million in damages. Given that there are no records of rest breaks (as there is no legal obligation to record them), Plaintiffs assigned a 50% violation rate for rest breaks, for a total of \$1.182 million. Given the current state of the law that employers need not police their employees to take rest breaks, Plaintiffs believe that this exposure analysis is reasonable.
- c. Waiting time penalties: Plaintiffs also alleged that Defendants failed to pay all wages owed upon separation of employment, as a result of the violations above. Plaintiffs estimated that the potential exposure on this claim was approximately \$3.672 million, which was calculated based on 608 former employees, whose average rate of pay was \$12.87. *Id.*
- d. Section 226 Penalties: Plaintiffs also alleged that Defendants would be subject to penalties, pursuant to Labor Code § 226, because the wage statements it distributed to employees did not state the accurate number of hours worked, meal period premium payments earned, and gross and net wages earned. Plaintiffs estimated the penalties associated with this claim as approximately \$1.527 million, which was based on 17,606 alleged pay periods. This assumes a 100% violation rate.
- e. With respect to Plaintiffs' claims under the PAGA, Plaintiffs' expert calculated the maximum potential penalties at \$5.5 million. This is assuming

1 if the Court were to award separate PAGA penalties for each alleged Labor
2 Code violation (aka “stack” penalties).

3 f. In the present case, the total amount of Labor Code penalties amounts to
4 approximately \$5.2 million without discounting for potentially losing some of
5 the causes of action, or the trier of fact not finding a knowing and intentional
6 or willful violation. Plaintiffs have moreover learned that the majority of class
7 members have entered into arbitration agreements, which would further
8 significantly reduce damages and Labor Code penalties. The Maximum
9 Settlement Amount of \$600,000 is 7% of the realistic exposure analysis,
10 which is within the range of reasonableness, given all the facts and the risks of
11 moving forward, and the Court should grant approval of this settlement.

12 10. The class is comprised of approximately 2,150 unique individuals.

13 11. Plaintiffs’ Counsel will be splitting the approved fees as follows: 50% to Hyun
14 Legal, APC; and 50% to Broslavsky & Weinman LLP, which the Plaintiffs authorized in writing.

15 12. With respect to the third-party administrator, Plaintiff solicited bids from ILYM,
16 Xpand Legal and Phoenix Settlement Administrators and Phoenix was the lowest.

17 13. On September 13, 2023, I uploaded the Settlement Agreement, the Motion for
18 Preliminary Approval, and the Proposed Order on the LWDA’s website.

19 I declare under penalty of perjury under the laws of the State of California that the
20 foregoing is true and correct.

21 Executed on September 13, 2023, at Los Angeles, California.

22
23 

24 _____
Dennis S. Hyun

EXHIBIT “A”

INTRODUCTION

This Class and Representative Action Settlement Agreement (“Settlement Agreement”) is made and entered into by and between Plaintiffs RAEIGN VELASQUEZ, MIKAYLA ASEVO, and ERIC RIVAS (collectively, “Class Representatives” or “Plaintiffs”), individually and on behalf of all putative class members and aggrieved employees, on the one hand, and Defendants TEAM BLAZE D.B.A. BLAZE PIZZA and GHOLMAREZA MEDALI (collectively “Defendants”), on the other hand. Plaintiffs and Defendants are collectively referred to herein as the “Parties.” This Settlement Agreement is subject to the terms and conditions set forth below and the Court’s approval. This Settlement Agreement fully and completely resolves the wage and hour class and representative action filed by Plaintiffs against Defendants on March 9, 2021, Orange County Superior Court, Case No. 30-2021-01187932-CU-OE-CXC.

I. DEFINITIONS

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

1. “Action” means the case entitled *Raeign Velasquez et al. v. Team Blaze d.b.a. Blaze Pizza et al.*, Case No. 30-2021-01187932-CU-OE-CXC, pending before the Court.
2. “Class” means non-exempt hourly employees who were employed by Defendants during the Class Period. Members of the Class are referred to herein individually as a “Class Member” and collectively as “Class Members.”
3. “Class List” means a list of Class Members that Defendants will compile from its records.
4. “Class Period” means the time period from September 26, 2018 through the date the Court grants Preliminary Approval.
5. “Court” means the Orange County Superior Court.
6. “Defendants’ Counsel” means ATKINSON, ANDELSON, LOYA, RUUD & ROMO.
7. “Effective Date” means the latter of: (a) if no objections to the Settlement Agreement are made in writing or at the hearing for Final Approval, the date the Court enters

Judgment and the filing and service of entry of judgment; (b) if objections are made in writing or at the hearing for Final Approval and overruled, and no appeal is taken of the order granting Final Approval, then the Effective Date shall be three (3) calendar days after the deadline to file an appeal of the order granting Final Approval; or (c) if one or more appeals are taken from the Court's overruling of any objections to the settlement, then the Effective Date shall be three (3) calendar days after any appeal is dismissed or the order granting Final Approval of the settlement is affirmed after an appeal, and the order granting Final Approval is not subject to further review and becomes final.

8. "Final Approval" means the Court Order granting final approval of the Settlement Agreement and entering final judgment thereon.

9. "Individual Settlement Payment" means each Participating Class Member's and/or PAGA Group member's pro rata share of the Net Settlement Proceeds calculated in accordance with the Individual Settlement Payment calculations described below.

10. "Maximum Settlement Amount" means the total all-in amount (excluding employer payroll taxes for wage payments under the Settlement Agreement) Defendants are required to pay under this Settlement Agreement, subject to Plaintiffs obtaining Final Approval and the Effective Date occurring. The Maximum Settlement Amount includes only (and all subject to Court approval): (1) the attorneys' fees of Class Counsel; (2) the litigation costs and expenses of Class Counsel; (3) the Service Award to the Class Representative; (4) the payment to the Labor Workforce and Development Agency ("LWDA") pursuant to PAGA; (5) all costs of administration, including, without limitation, the Settlement Administrator's fees and expenses; and (6) the Individual Settlement Payments paid to Participating Class Members and PAGA Group Members. Defendants shall separately pay Defendants' share of employer-side payroll taxes in addition to the Maximum Settlement Amount.

11. "Net Settlement Amount" means the portion of the Maximum Settlement Amount, less the amounts approved and awarded by the Court for: (1) the attorneys' fees of Class Counsel; (2) the litigation costs and expenses of Class Counsel; (3) the Service Award to the Class Representative; (4) the payment to the LWDA pursuant to PAGA; (5) all costs of administration,

1 including, without limitation, the Settlement Administrator's fees and expenses.

2 12. "Notice Deadline" means the date by which Class Members must submit to the
3 Settlement Administrator a valid request to be excluded from the settlement, object to the
4 settlement, or dispute the number of workweeks worked during the Class Period. If the date of the
5 Notice Deadline falls on a Sunday or federal holiday, the time to object will be extended to the
6 next calendar day on which the U.S. Postal Service is open.

7 13. "Notice of Settlement" means the notice that the Court approves and orders to be
8 sent to all Class Members advising them of their rights under this Settlement Agreement. The
9 Notice of Settlement is attached hereto as Exhibit 1.

10 14. "PAGA" means the California Labor Code Private Attorneys General Act of 2004
11 (Cal. Lab. Code §§ 2698, *et seq.*).

12 15. "PAGA Group" means all non-exempt, hourly-paid California employees
13 employed by Defendants during the PAGA Period. Members of the PAGA Group are referred to
14 herein individually as a "PAGA Group Member" and collectively as "PAGA Group Members."

15 16. "PAGA Payment" means the amount that the Parties have agreed to allocate from
16 the Maximum Settlement Amount in order to settle claims arising under PAGA.

17 17. "PAGA Period" shall mean the period from March 9, 2020 through the date the
18 Court grants Preliminary Approval.

19 18. "Participating Class Members" or "Settlement Class" means all Class Members
20 who do not submit a valid request to be excluded from the settlement, consistent with the terms set
21 forth in this Settlement Agreement.

22 19. "Plaintiffs' Counsel" or "Class Counsel" means Dennis S. Hyun of Hyun Legal,
23 APC and Zack Broslavsky of Broslavsky & Weinman, LLP, counsels of record for Plaintiffs.

24 20. "Preliminary Approval" means the Court Order granting preliminary approval of
25 the Settlement Agreement.

26 21. "Qualified Settlement Account" means the account established by the Settlement
27 Administrator into which the Maximum Settlement Amount and all employer payroll taxes
28 associated therewith shall be deposited by Defendants.

22. “Released Parties” means Defendants, their past, present, and/or future owners, officers, directors, managing agents, trustees, payroll processors, independent contractors, members, shareholders, managers, employees, attorneys, insurers, assigns, successors, predecessors and agents, and Defendants’ past, present, and/or future parent, subsidiary, or affiliated entities, DBAs, franchisors, franchisees, and each of their owners, officers, directors, managing agents, trustees, payroll processors, independent contractors, members, managers, employees, attorneys, insurers, assigns, shareholders, successors, predecessors and agents.

23. “Released Claims” means any and all claims, damages, or causes of action alleged in, or arising out of, the allegations in the Complaint filed in the Action and the PAGA Notice, which were alleged or that could have been alleged by Plaintiffs and/or any Participating Class Member in such complaints and/or the PAGA Notice based on any of the factual allegations contained in such complaints and/or the PAGA Notice, including, but not limited to, claims under state, or local law, including, but not limited to claims for unpaid wages, claims for the failure to pay minimum wages, claims for the failure to pay overtime wages, claims related to missed meal and rest breaks or periods and nonpayment of premium pay for such, failure to comply with itemized employee wage statement provisions, failure to pay wages due at separation, failure to timely pay wages during employment, failure to keep requisite payroll records, unfair competition, the payment of any penalties (including PAGA). The Released Claims specifically include, but are not limited to, all claims arising under California Labor Code sections 201, 202, 203, 204, 210, 218.5, 226, 226.7, 510, 512, 1194, 1194.2, 1197, and 1197.1, the Wage Orders of the California Industrial Welfare Commission, California Business and Profession Code sections 17200, *et seq.*, California Code of Civil Procedure section 1021.5, and California common law of contract, interest and claims for attorney’s fees relating in any way to those claims alleged and mentioned in the complaint(s) and/or PAGA Notice.

24. “Released PAGA Claims” means any and all claims for civil penalties under PAGA based on the labor code violations alleged in the PAGA Notice sent by Plaintiff to the LWDA, including California Labor Code sections 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1194, 1197, 1197.1, 2698, *et seq.*, the IWC Wage Orders as well as all facts, theories, or claims for

1 civil penalties that would be considered administratively exhausted under applicable law by the
2 PAGA Notice Plaintiffs sent to the LWDA.

3 25. "Service Award" means an award approved by the Court to the Class
4 Representatives in exchange for a general release, and in recognition of their efforts and work in
5 prosecuting the Action on behalf of all Class Members.

6 26. "Settlement Administrator" means Phoenix Settlement Administrators, the third-
7 party class action settlement administrator mutually agreed to by the Parties and approved by the
8 Court for the purposes of administering this settlement.

9 27. "Settlement Administration Costs" mean all the expenses payable from the
10 Maximum Settlement Amount to the Settlement Administrator for administering this Settlement
11 Agreement, including, but not limited to, calculating weeks of employment from the Class List,
12 printing, translating into Spanish, distributing and tracking forms for this settlement, mailing
13 notices, calculating awards, processing requests for exclusion and objections, performing
14 necessary skip traces on Notices of Settlement returned as undeliverable, mailing Participating
15 Class Members and PAGA Group Members settlement checks, issuing any required tax reporting
16 forms, distributing the Maximum Settlement Amount and Net Settlement Amounts and providing
17 necessary reports and declarations, as requested by the Parties, Class Counsel and Defendant's
18 Counsel, among other things in this Settlement Agreement.

19 28. "Workweeks" mean the total number of weeks Class Members worked at least one
20 shift for Defendants in a non-exempt, hourly-paid position in California at any of its locations
21 during the Class Period. Workweeks shall be calculated by counting the number of days between
22 each Class Member's first date employed by Defendants in a non-exempt, hourly-paid position
23 during the Class Period and the last day they were employed by Defendants in a non-exempt,
24 hourly-paid position during the Class Period, and dividing that sum by seven and rounding up to
25 the nearest whole number.

26 II. PROCEDURAL AND FACTUAL BACKGROUND

27 29. On March 9, 2021, Plaintiffs filed a class and representative action Complaint in
28 the Superior Court for the County of Orange, California, alleging eight (8) separate causes of

1 action for various wage and hour violations. In their Complaint, Plaintiffs' claims include: (1)
2 failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide accurate
3 itemized wage statements; (4) failure to provide rest breaks; (5) failure to provide meal breaks; (6)
4 failure to pay all wages at the end of employment; (7) violation of California Business &
5 Professions Code; (8); and (9) civil penalties under the California Private Attorneys General Act
6 ("PAGA"). Additionally on March 2, 2021, Plaintiffs submitted a written PAGA notice letter
7 ("PAGA Notice") to the Labor and Workforce Development Agency ("LWDA").

8 30. After the filing of the Action, Plaintiffs and Defendants engaged in significant
9 informal discovery including the production of policy records, time records, and payroll records
10 for Defendants' employees, as well as other data regarding Defendants' employees. The parties
11 exchanged substantial informal discovery and engaged in conferences regarding Plaintiffs' claims
12 and the claims of the alleged aggrieved employees, the value of those claims, and Defendants'
13 defenses to those claims.

14 31. The Parties have engaged in sufficient investigation and discovery to assess the
15 relative merits of Plaintiffs' claims and of Defendants' defenses to them. On February 10, 2022,
16 the Parties attended a full-day mediation with experienced employment law mediator Hon. Steven
17 R. Denton (Ret.), in an effort to resolve this class and representative action. The Parties did not
18 reach a settlement at mediation, but they continued their settlement negotiations. The Parties
19 retained Karl Ehlert of Matson, Driscoll & Damico, LLP, a forensic accounting firm, to review
20 Defendants' financial records and provide the Parties and their counsel with Mr. Ehlert's opinion
21 as to the amount that Defendants could afford in settlement. Based on Mr. Ehlert's assistance and
22 findings, and months of continued negotiations, the Parties ultimately reached this settlement.

23 32. Defendants deny any liability or wrongdoing of any kind associated with the claims
24 alleged in the PAGA Notice and Complaint, and further denies that the Action is appropriate for
25 class treatment for any purpose other than this settlement. Defendants contend that they have
26 complied with the California Labor Code at all times. It is Defendants' position that, if this case
27 were to be litigated, class certification would be denied, and the PAGA claims would be found to
28 be without procedural and substantive merit.

33. The Parties expressly acknowledge that this Settlement Agreement is entered into solely for the purpose of compromising significantly disputed claims. The Action, the negotiation and execution of this Settlement Agreement, and all acts performed or documents executed pursuant to or in furtherance of the Settlement Agreement (i) shall not be used as an admission or evidence of wrongdoing on behalf of Defendants; (ii) shall not be an admission or evidence of fault on behalf of Defendants in any action before a civil, criminal, or administrative agency; and (iii) shall not be deemed to be, and may not be used as, an admission or evidence of the appropriateness of these or similar claims for class certification in the Action or with respect to any other proceeding.

34. Class Counsel represent they have conducted a thorough investigation into the facts and law during the prosecution of the Action, including the exchange of extensive informal discovery and the review and verification of statistical data and other facts and information provided by Defendants. Counsel for the Parties also represent they have investigated the applicable law as applied to the facts discovered regarding the alleged claims of Plaintiffs, the putative Class, allegedly aggrieved employees, and the potential defenses thereto.

35. Based on their own independent investigation and evaluation, Class Counsel are of the opinion (and will so represent to the Court) that settlement for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate, and is in the best interest of the Settlement Class in light of all known facts and circumstances, including the risk of significant delay, the time and costs associated with continued litigation, the risk any or all class claims would not be certified by the Court, and the risk of successful defenses asserted by Defendants. Defendants and its counsel also agree (and will so represent to the Court) that this settlement is fair and reasonable.

36. The Parties agree that the Class described herein may be certified for settlement purposes *only*, and that any motion for preliminary approval seeking, *inter alia*, certification of the Class is for purposes of the settlement *only*. If for any reason the settlement is not approved, the certification will have no force or effect and will immediately be revoked. The Parties further agree that certification for purposes of the settlement is in no way an admission that class

1 certification is proper under the more stringent standard applied for litigation and that evidence of
2 this limited stipulation for settlement purposes only will not be admissible for any purpose in this
3 or any other proceeding. The Parties further agree that by entering this settlement, Defendants are
4 not waiving any other defenses to the claims.

5 **III. TERMS OF AGREEMENT**

6 37. The Terms of this Settlement Agreement are Subject to Court Approval. All terms
7 set forth in this Settlement Agreement are subject to Court approval. The Parties stipulate to class
8 certification for purposes of settlement *only*. Plaintiffs shall apply to the Court for approval of the
9 Settlement Agreement and for class certification solely for purposes of effectuating this
10 settlement. Defendants shall not oppose such application, provided it does not deviate from this
11 Settlement Agreement. If, for any reason, the settlement is not approved, the stipulation to
12 certification will be void. The Parties further agree that certification for purposes of settlement is
13 not an admission that class certification is proper under the standard applied to contested
14 certification motions and that this settlement will not be admissible in this, or in any other, legal
15 process or proceeding as evidence that (i) a class should be certified or (ii) Defendants are liable to
16 Plaintiffs or any other Class Members.

17 38. Overview of Payment Structure. This settlement is made on a non-reversionary
18 basis. This settlement shall consist of a Maximum Settlement Amount which, in turn, includes
19 only (and all subject to Court approval): (1) the attorneys' fees of Class Counsel; (2) the litigation
20 costs and expenses of Class Counsel; (3) the Service Award to the Class Representative; (4) the
21 payment to the LWDA pursuant to PAGA; (5) all costs of administration, including, without
22 limitation, the Settlement Administrator's fees and expenses; and (6) the Individual Settlement
23 Payments paid to Participating Class Members and PAGA Group Members. Defendants,
24 however, understand and agree that they shall pay the employer-side payroll taxes in addition to
25 and separate from the Maximum Settlement Amount.

26 39. Payments Made by Defendants. The following are all amounts Defendants will pay
27 pursuant to this Settlement Agreement:

28 a. *Maximum Settlement Amount.* Defendants shall pay the maximum, all-in

total amount of Six-Hundred Thousand Dollars and Zero Cents (\$600,000) to fund the settlement of the Action. The payments made by Defendants pursuant to this Settlement Agreement shall settle all claims released herein, in full. The settlement payment is not being made for any other purpose and will not be construed as compensation for determining eligibility for any health and welfare benefits or unemployment compensation. The Maximum Settlement Amount shall also include any interest that accrues in the Qualified Settlement Account created by the Settlement Administrator.

b. *Employer Payroll Taxes.* Defendants shall be responsible for paying employer payroll taxes on wage payments made pursuant to the Settlement Agreement in addition to the Maximum Settlement Amount.

c. *No Other Amounts.* Defendants are under no obligation under this Settlement Agreement to pay, and shall not pay, anything other than the Maximum Settlement Amount and the employer payroll taxes referred to above.

40. Funding and Disbursement of Payments Made by Defendants. Defendants shall deposit the Maximum Settlement Amount, plus all employer taxes due under on wage payments to be made under this Settlement Agreement, with the Settlement Administrator in six (6) installments as follows:

a. Installment 1: One Hundred and Fifty Thousand Dollars and Zero Cents (\$150,000) within thirty (30) calendar days of the Court granting Final Approval;

b. Installment 2: One Hundred and Fifty Thousand Dollars and Zero Cents (\$150,000) within one hundred eighty (180) calendar days of the Court granting Final Approval;

c. Installment 3: Seventy Five Thousand Dollars and Zero Cents (\$75,000) within three hundred sixty (360) calendar days of the Court granting Final Approval;

d. Installment 4: Seventy Five Thousand Dollars and Zero Cents (\$75,000) within five hundred forty (540) calendar days of the Court granting Final Approval;

e. Installment 5: Seventy Five Thousand Dollars and Zero Cents (\$75,000) within seven hundred twenty (720) calendar days of the Court granting Final Approval;

f. Installment 6: Seventy Five Thousand Dollars and Zero Cents (\$75,000) within nine hundred (900) calendar days of the Court granting Final Approval;

41. The Settlement Administrator shall disburse the Maximum Settlement Amount to the recipients designated herein no later than fifteen (15) calendar days after Defendants' final payment above.

42. Payment of Class Counsel's Attorneys' Fees and Litigation Costs and Expenses. Defendants agree not to object to, undermine or oppose any application or motion by Class Counsel for an award of attorneys' fees not to exceed one-third of the Maximum Settlement Amount (currently estimated at \$200,000), and reasonable litigation-related costs and expenses not to exceed Fifty Thousand Dollars and Zero Cents (\$50,000), which is subject to review and final approval by the Court. If approved, the Court's award of attorneys' fees and reimbursement of litigation costs and expenses to Class Counsel shall be paid from the Maximum Settlement Amount. Any portion of the amounts sought by Class Counsel not awarded by the Court shall revert back to the Net Settlement Amount for distribution to Participating Class Members and will not revert to Defendants under any circumstance. The attorneys' fees and litigation costs and expenses of Class Counsel include, without limitation, all such fees and costs incurred to date, as well as such fees and costs to be incurred in documenting the settlement, securing Court approval of the settlement, and obtaining judgment in the Action. Neither Plaintiffs nor Class Counsel will be entitled to any other attorney fees or costs from Defendants other than any attorneys' fees and costs incurred in prevailing on the enforcement of any of the terms of this Settlement Agreement. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the payments made pursuant to this paragraph. IRS Form 1099 shall be provided to Class Counsel for the payments made pursuant to this paragraph. The Settlement Administrator shall pay Class Counsel all costs awarded by the Court and 40% of attorney fees within ten (10) business days after receipt of Installment 2. The Settlement Administrator shall pay the remainder of attorney fees within ten (10) business after receipt of Installment 6.

43. Service Award. Defendants agree not to oppose or object to any application or

1 motion for a Service Award to the Class Representative in an amount equal to or less than Seven
2 Thousand Five Hundred Dollars and Zero Cents (\$7,500) to each Class Representative for a total
3 of Twenty-Two Thousand Five Hundred Dollars (\$22,500), subject to court approval, which if
4 approved shall be payable from the Maximum Settlement Amount and shall be in addition to
5 payment of the Individual Settlement Payment payable to them, and is further consideration for
6 settling this matter and in exchange for the release of all claims by Participating Class Members.
7 The Settlement Administrator shall issue an IRS Form 1099 for the Service Award. The Class
8 Representative shall be solely and legally responsible to pay any and all applicable taxes on the
9 payment made pursuant to this paragraph. Any reduction in the amount of the Service Award by
10 the Court shall remain in the Net Settlement Amount to be distributed to Participating Class
11 Members. The Settlement Administrator shall distribute 50% of Service Awards within ten (10)
12 business days after receipt of Installment 2 and 50% within ten (10) business days after receipt of
13 Installment 6.

14 44. PAGA Payment. The Parties agree that Sixty Thousand Dollars and Zero Cents
15 (\$60,000) shall be allocated to settle the claims pursuant to the PAGA. Of this amount, seventy-
16 five percent (75%) or Forty-Five Thousand Dollars and Zero Cents (\$45,000) shall be made
17 payable to the LWDA and twenty-five percent (25%) or Fifteen Thousand Dollars and Zero Cents
18 (\$15,000) shall be distributed to PAGA Group Members as part of the Net Settlement Amount.
19 The amount of any reduction of the PAGA Payment by the Court shall remain in the Net
20 Settlement Amount to be distributed to Participating Class Members. The Settlement
21 Administrator shall pay 50% of the LWDA payment within ten (10) business days after receipt of
22 Installment 3 and 50% within ten (10) business days after receipt of Installment 6.

23 45. Settlement Administration Costs. Subject to Court approval, the Parties have
24 agreed that Phoenix Settlement Administrators will serve as a neutral third-party claims or
25 settlement administrator to perform all acts required by the Settlement Agreement. The Parties
26 each represent that they do not have any financial interest in the Settlement Administrator or
27 otherwise have a relationship with the Settlement Administrator that could create a conflict of
28 interest. The Settlement Administrator shall be paid for the Settlement Administration Costs.

Settlement Administration Costs are expected to total no more than Twenty-Seven Thousand Seven-Hundred and Fifty Dollars and Zero Cents (\$27,750). Any portion of the Settlement Administration Costs which is not used shall be returned to the Net Settlement Amount for pro rata distribution to Participating Class Members, and will not revert to Defendants under any circumstance. The Settlement Administration Costs shall be paid from the Maximum Settlement Amount and shall cover all costs of the administration of the settlement. No fewer than ten (10) calendar days prior to the Final Approval hearing, the Settlement Administrator shall provide the Court and all counsel for the Parties with a statement detailing the Settlement Administration Costs. The Parties agree to cooperate in the settlement administration process and to make all reasonable efforts to control and minimize the costs and expenses incurred in the administration of the settlement. An IRS Form 1099 shall be issued to the Settlement Administrator.

46. Net Settlement Amount. The Net Settlement Amount shall be available for distribution to Participating Class Members and PAGA Group Members in accordance with the notice procedure and formula set forth in this Settlement Agreement.

**IV. DUTIES OF THE PARTIES BEFORE PRELIMINARY APPROVAL AND
BETWEEN PRELIMINARY AND FINAL APPROVAL**

47. Promptly after the execution of this Settlement Agreement, Class Counsel shall move the Court for Preliminary Approval of the Settlement and obtain entry of an order accomplishing the following:

- a. Provisionally certifying the Action under California law as a class action for purposes of this settlement only;
- b. Preliminarily approving the settlement subject only to objections of Class Members, the terms of the Parties' Settlement Agreement, and final approval by the Court;
- c. Approving as to form and content the proposed Notice of Settlement and Request for Exclusion Form attached hereto as Exhibit 1;
- d. Directing the mailing of the Notice of Settlement by first-class mail to the Class Members;
- e. Preliminarily appointing Plaintiffs as Class Representative and Plaintiff's

1 Counsel as Class Counsel (only for purposes of effectuating and implementing this Settlement
2 Agreement);

3 f. Preliminarily approving the application for payment of reasonable
4 attorneys' up to One Hundred Ninety-Nine Thousand Nine Hundred Eighty Dollars and Zero
5 Cents (\$199,980) of the Maximum Settlement Amount; and reimbursement of reasonable
6 litigation-related costs and expenses not to exceed Fifty Thousand Dollars and Zero Cents
7 (\$50,000) payable to Class Counsel;

8 g. Preliminarily approving the Service Award to the Class Representative in
9 an amount equal to Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500) to each Class
10 Representative;

11 h. Preliminarily approving settlement administration services by Settlement
12 Administrator and its estimated Settlement Administration Costs of up to Twenty-Seven Thousand
13 Seven Hundred and Fifty Dollars and Zero Cents (\$27,750).

14 i. Preliminarily approving the allocation of civil penalties pursuant to PAGA
15 in the amount of Sixty Thousand Dollars and Zero Cents (\$60,000), seventy-five percent (75%) of
16 which or Forty-Five Thousand Dollars and Zero Cents (\$45,000) shall be payable to the LWDA
17 and twenty-five percent (25%) of which or Fifteen Thousand Dollars and Zero Cents (\$15,000)
18 shall be distributed to PAGA Group Members from the Net Settlement Amount; and

19 j. Scheduling a hearing for Final Approval on the question whether the
20 proposed settlement should be finally approved as fair, reasonable and adequate to Class
21 Members.

22 k. The form and content of the proposed Preliminary Approval order is
23 attached as Exhibit 2 to this Settlement Agreement.

24 48. Plaintiffs shall submit this Settlement Agreement in support of the Motion for
25 Preliminary Approval. Class Counsel shall not file said motion or any other documents associated
26 with same unless and until Defendant's Counsel has approved the contents thereof.

27 49. Plaintiffs shall also submit this Settlement Agreement to the LWDA (as required by
28 Labor Code § 2699(l)(2)).

1 50. Class Counsel will file a Motion for Final Approval of the Settlement and
2 supporting documents with the Court no later than sixteen (16) court days prior to the Final
3 Approval Hearing. Supporting documents shall include, but are not limited to: (a) a declaration by
4 the Settlement Administrator of due diligence and proof of mailing of the Notice of Settlement
5 required to be mailed to Class Members by this Settlement Agreement, and of the delivery results
6 of the Settlement Administrator's mailings, including tracing and re-mailing efforts; and (b) a
7 proposed Order and Judgment granting Final Approval. Class Counsel will send Defendant's
8 Counsel the final approval motion for review and approval prior to the filing of same.
9 Defendant's Counsel shall have at least five (5) business days in which to review, comment on,
10 and approve the language of the Motion for Preliminary Approval and the Motion for Final
11 Approval.

12 51. Defendants will not object to or oppose Preliminary or Final Approval of the
13 settlement, including application by Class Counsel for the Service Award, attorneys' fees and
14 reimbursement of litigation-related costs and expenses as set forth above, provided the motions do
15 not deviate from the terms of this Settlement Agreement.

16 52. Class Counsel will submit with the motion for Final Approval a proposed Order
17 and Judgment granting Final Approval. The proposed Order and Judgment granting Final
18 Approval shall include the following findings and orders:

- 19 a. Approving the settlement, adjudging the terms thereof to be fair, reasonable
20 and adequate, and directing that its terms and provisions be carried out;
- 21 b. Approving payment of the Service Award to the Class Representative;
- 22 c. Approving Class Counsel's application for an award of reasonable
23 attorneys' fees and reimbursement of reasonable litigation-related costs and expenses;
- 24 d. Approving the Settlement Administration Costs;
- 25 e. Approving payment of civil penalties to the LWDA and the PAGA Group
26 Members;
- 27 f. Ordering the payment of Individual Settlement Payments in accordance
28 with the terms of this Agreement;

g. Listing the individuals who opted-out of the Settlement and will not be included in the releases or bound by the Judgment.

h. Entering Final Approval releasing all Released Claims of the Participating Class Members against all Released Parties;

i. Entering judgment in this Action in accordance with this Settlement Agreement, pursuant to Cal. Rules of Court, Rule 3.769(h);

j. Requiring the Settlement Administrator to post a copy of the Judgment on its website for a period of at least thirty (30) days from the date the Judgment is executed in compliance with Cal. Rules of Court, Rule 3.771(b); and

k. Providing that the Court will retain jurisdiction to oversee administration and enforcement of the terms of the settlement and the Court's orders; and

l. The form and content of the proposed Order and Judgment granting Final Approval is attached as Exhibit 3 to this Settlement Agreement.

V. DUTIES OF THE PARTIES AFTER FINAL APPROVAL

53. Following entry of the Court's Order and Judgment granting Final Approval of the Settlement Agreement, the Parties will each act to assure its timely execution and the fulfillment of all its provisions, including, but not limited to the following:

a. Class Counsel will immediately file and serve a written Notice of Entry of judgment or a filed-endorsed copy of the judgment, accompanied by proof of service, on any person who objected to the settlement in writing or at the hearing on the Motion for Final Approval;

b. Should an appeal be taken from the Order and Judgment granting Final Approval of the Settlement Agreement, all Parties will support the Order and Judgment granting Final Approval on appeal;

c. Class Counsel and Defendant's Counsel will reasonably assist the Settlement Administrator as needed or requested in the process of identifying and locating Participating Class Members and PAGA Group Members entitled to payments from the Net Settlement Amount and assuring delivery of such payments;

d. Class Counsel and Defendant's Counsel will reasonably assist the Settlement Administrator as needed or requested in responding to late requests for payments from the Net Settlement Amount;

e. Class Counsel and Defendant's Counsel will ensure that the Settlement Administrator will certify to the Court completion of all payments required to be made by this Settlement Agreement.

VI. PROCEDURE AND ADDITIONAL TERMS

54. Notice Procedure. The Settlement Administrator shall be responsible for the following notice procedure:

a. *Delivery of the Class List.* Within fourteen (14) calendar days from Class Counsel providing notice to Defendant's Counsel that the order granting preliminary approval has been provided to the Settlement Administrator, Defendants shall provide the Class List to the Settlement Administrator on a confidential basis. The Class List shall contain (to the extent available in Defendants' business records) Class Members' full name, last known addresses, social security numbers, and dates of employment as non-exempt, hourly-paid employees of Defendants during the Class Period. The Class List information shall remain confidential and shall not be disclosed to anyone, including Class Counsel, except to carry out reasonable efforts described below, or pursuant to express written authorization by Defendants. The Settlement Administrator shall use due care with respect to the storage, custody, use, and/or dissemination of the confidential information. The Settlement Administrator will perform address updates and verifications as necessary prior to the first mailing.

b. *Notice.* A notice of pendency of class action, proposed settlement and hearing date for Court approval (previously defined as Notice of Settlement) and a request for exclusion form, substantially in the form attached hereto as Exhibit 1 and as approved by the Court, shall be sent by the Settlement Administrator to the Class Members (in English and Spanish), by first class mail, within seven (7) calendar days after receipt of the Class List calendar days after receipt of the Class List. The Notice of Settlement shall be sent via regular First Class U.S. Mail, using the most updated mailing addresses, and advise Class Members of the terms of

1 the settlement, their ability to object to the settlement in writing and/or in person, and their ability
2 to submit the Request for Exclusion Form. The Notice of Settlement will further inform Class
3 Members of the Court-established deadlines for filing objections and requesting to be excluded
4 from the Class. The Notice of Settlement will also include the calculation of Workweeks during
5 the applicable Class Period and calculation of the Class Member's estimated payment (which will
6 be based upon the assumption that the requests for attorney's fees and costs and the Service Award
7 are awarded in full).

8 c. *Procedure for Lost and Undeliverable Notices.* Any Notice of Settlement
9 returned to the Settlement Administrator as non-delivered on or before the Notice Deadline shall
10 be sent to the forwarding address affixed thereto, if a forwarding address is provided. If no
11 forwarding address is provided, the Settlement Administrator shall promptly, but no later than five
12 (5) business days of receiving notice that the Notice of Settlement was undeliverable, attempt to
13 determine a correct mailing address using a skip-trace, or similar search, using the name, address
14 and/or social security number of the Class Member involved, and promptly re-mail the Notice of
15 Settlement. If after the Notice of Settlement is still returned to the Settlement Administrator as
16 non-deliverable after re-mailing, that individual will be deemed a Participating Class Member for
17 purposes of the Released Claims (as defined below), and the Settlement Administrator will have
18 no further obligation to obtain the Class Member's current address. The Notice Deadline for any
19 Class Member who is re-mailed a Notice of Settlement shall be extended fifteen (15) calendar
20 days from the date of the re-mailing or the original forty-five (45) calendar day deadline,
21 whichever is later.

22 55. Request for Exclusion Procedure. The Notice of Settlement include the Request for
23 Exclusion Form, which Class Members can use to exclude themselves or "opt out" if they do not
24 wish to participate in this settlement.

25 a. Class Members who wish to opt out of this settlement must mail the
26 Request for Exclusion Form to the Settlement Administrator no later than forty-five (45) calendar
27 days after the initial mailing of the Class Notice, unless extended pursuant to a re-mailing, or
28 unless the Court requires a longer period, in which case the Court-ordered deadline period will

1 apply. In order to be valid, a Class Member's Request for Exclusion must be postmarked and
2 mailed to the Settlement Administrator no later than the Notice Deadline.

3 b. Within five (5) calendar days after receipt by the Service Administrator of
4 each timely-submitted Request for Exclusion, the Service Administrator will send a deficiency
5 notice to such Class Members requesting exclusion and note any irregularities in the Request for
6 Exclusion (such as failure to sign or include last four (4) digits of the Class Member's social
7 security number). The deficiency notice will provide the Class Members no more than five (5)
8 calendar days from the mailing of the deficiency notice to resubmit a revised Request for
9 Exclusion Form that cures all deficiencies. The failure of a Class Member to cure all deficiencies
10 in a timely manner shall invalidate the Request for Exclusion and will not be subject to cure.

11 c. A Class Member who does not properly and timely submit a Request for
12 Exclusion of the Settlement Agreement in the manner and by the deadline specified above will
13 automatically become a Participating Class Member and will be bound by all terms and conditions
14 of the Settlement Agreement, including its release of claims, if the Settlement Agreement is
15 approved by the Court, and be bound by the Final Approval Order, regardless of whether he or she
16 has objected to the Settlement Agreement. In consideration for settlement and release of all claims
17 of the Participating Class Members against Defendants, each Participating Class Member will
18 receive a pro rata share of the Net Settlement Amount.

19 d. A Class Member who properly and timely submits a Request for Exclusion
20 of the Settlement Agreement will not become a Participating Class Member, will not be bound by
21 the Settlement Agreement, and will not have a right to appear at the Final Approval hearing to
22 have any objections to the settlement heard by the Court.

23 e. To the extent any Class Member submits a Request for Exclusion, that
24 Class Member's unclaimed portion shall be reallocated to the Net Settlement Amount. Increases
25 to Participating Class Member payments shall be allocated on a proportional basis based on the
26 size of each Participating Class Member's Workweeks.

27 f. Counsel for the Parties shall not discourage any Class Member from
28 participating in, objecting to or opting out of the settlement.

g. If more than ten percent (10%) of Class Members timely and properly submit a Request for Exclusion, then Defendants shall have the right, in its sole discretion, to void and revoke the Settlement Agreement and its stipulation to class certification. Defendants, however, understand and agree to pay all administration costs incurred up to the point of Defendants' revocation/voiding this Agreement. All signatories and their counsel must not encourage opt-outs. The Parties specifically agree not to solicit opt-outs, directly or indirectly, through any means. Objective statements to Class Members who call Class Counsel with inquiries regarding the settlement, or the exercise of Class Counsel's ethical obligations, shall not be deemed a violation of the prohibitions contained herein. In the event of such a rescission, no party may use the fact that the Parties agreed to settle this case as evidence of Defendants' liability in this Action or the lack thereof.

h. The Settlement Administrator will notify the Parties of the total number of valid Requests for Exclusion forms and identify the individuals who submitted a request for exclusion within ten (10) calendar days after the Notice Deadline. Defendants shall have five (5) business days to notify Class Counsel in writing of Defendants' intent to revoke the Settlement Agreement, including conditional class certification.

i. Class Members who are also PAGA Group Members will not be permitted to exclude themselves from the PAGA claim portion of the settlement. PAGA penalty settlement payments in the appropriate amounts will be distributed by the Settlement Administrator by mail to the PAGA Group Members including to those Class Members who are PAGA Group Members who submitted a request for exclusion.

56. Objection Procedure. Class Members who wish to object to this settlement should notify the Settlement Administrator in writing, via mail that they object to the settlement by the Notice Deadline. In order to be valid, a Class Member's objection to the settlement must be postmarked and mailed to the Settlement Administrator no later than the Notice Deadline. The Settlement Administrator shall notify and submit a copy of the objection to Class Counsel and Defendant's Counsel forthwith and Class Counsel shall lodge a copy of the objection with the Court. Any objection sent to the Settlement Administrator must be postmarked no later than the

1 Notice Deadline, unless the Court requires a longer period, in which the Court ordered objection
2 period will apply. The objection should provide the name of the Class Member, all facts and
3 reasons why the Class Member is objecting to the settlement along with any legal authority, and
4 signed by the Class Member. Class Members shall be permitted to rescind their objections in
5 writing by submitting a rescission statement to the Settlement Administrator not later than one (1)
6 business day before the Court's Final Approval hearing or as otherwise ordered by the Court.
7 Whether or not they timely submit a written objection, Class Members may appear at the Final
8 Approval hearing to have their objections heard by the Court.

9 57. Disputed Information on Notice of Settlement. Each Class Member shall have an
10 opportunity to dispute the employment dates and number of Workweeks attributed to him or her as
11 identified in the Class Notice. To the extent a Class Member disputes the employment dates or
12 number of Workweeks identified and listed in the Class Notice, the Class Member may produce
13 evidence to the Settlement Administrator showing that such information is inaccurate. In order to
14 be valid, a Class Member's dispute the employment dates and number of Workweeks, and the
15 evidence in support of such dispute, must be received by the Settlement Administrator no later
16 than the Notice Deadline. Absent evidence rebutting Defendants' records, Defendants' records
17 will be presumed determinative. Defense Counsel and Class Counsel shall jointly determine the
18 number of eligible Workweeks that should apply. If the Defense Counsel and Class Counsel
19 cannot agree, the dispute will be submitted to the Court.

20 58. The Settlement Terms Bind All Class Members Who Do Not Submit a Timely and
21 Valid Request for Exclusion. Any Class Member who does not affirmatively opt-out of the
22 Settlement Agreement by submitting a timely and valid Request for Exclusion consistent with the
23 terms of this Settlement Agreement shall be bound by all of its terms, including those pertaining to
24 the Released Claims (as defined below), as well as any Final Approval that may be entered by the
25 Court when it grants Final Approval of the settlement.

26 59. Certification Reports Regarding Requests for Exclusion, Disputes, and
27 Undeliverable Notices. The Settlement Administrator shall provide Defendant's Counsel and
28 Class Counsel a weekly report which certifies: (a) the number of Class Members who have

submitted a valid or defective Request for Exclusion; (b) the number of Class Member who have disputed the employment dates and number of Workweeks contained in their Notice of Settlement; and (c) the number of returned, undeliverable and/or re-mailed Notices of Settlement. Additionally, the Settlement Administrator shall provide to Defendant's Counsel and Class Counsel any updated reports regarding the administration of the Settlement Agreement as needed or requested.

60. Individual Settlement Payment Calculations. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Settlement Agreement. Should any question arise regarding the determination of eligibility for participation in the settlement or the amount of any Individual Settlement Payment under the terms of this Settlement Agreement, Class Counsel and Defendant's Counsel will meet and confer and attempt to reach agreement. Any unresolved disputes concerning the administration of the Settlement Agreement will be resolved by the Court, under the laws of the State of California.

61. Method of Calculating the Individual Settlement Payments: Individual Settlement Payments will be calculated as follows:

a. *PAGA Group Members.* The Settlement Administrator will calculate the total Workweeks for all PAGA Group Members by adding the number of workweeks worked by each PAGA Group Member during the PAGA Period. The amount that each PAGA Group Member will be eligible to receive will be calculated by dividing each PAGA Group Member's individual Workweeks by the total Workweeks of all PAGA Group Members, and multiplying the resulting fraction by Fifteen Thousand Dollars and Zero Cents (\$15,000). The Settlement Administrator will determine the total number of qualifying Workweeks for each PAGA Group Member which will be finalized after approval by the Parties.

b. *Participating Class Members.* The Settlement Administrator will calculate the total Workweeks for all Participating Class Members by adding the number of workweeks worked by each Participating Class Member during the Class Period. The amount that each Participating Class Member will be eligible to receive will be calculated by dividing each

1 Participating Class Member's individual Workweeks by the total Workweeks of all Participating
2 Class Members, and multiplying the resulting fraction by the Net Settlement Amount less the
3 Fifteen Thousand Dollars and Zero Cents (\$15,000) allocated to the PAGA Group Members. The
4 Settlement Administrator will determine the total number of qualifying Workweeks for each
5 Participating Class Member which will be finalized after approval by the Parties.

6 c. *Calculation of Individual Settlement Payment.* For Participating Class
7 Members who are also PAGA Group Members the Individual Settlement Payment will be the sum
8 of the amounts calculated for that Class Member in paragraphs 61.a. and 61.b. For Participating
9 Class Members who not are also PAGA Group Members the Individual Settlement Payment will
10 be the amount calculated for that Class Member in paragraph 61.b. For PAGA Group Members
11 who are not also Participating Class Members, the Individual Settlement Payment will be the
12 amount calculated for that PAGA Group Member in paragraphs 61.a. The Settlement
13 Administrator will determine the amounts of the payments to each Class Member will be finalized
14 after approval by the Parties.

15 62. Allocation and Tax Treatment of Individual Settlement Payments. Individual
16 Settlement Payments shall be allocated as follows: One hundred percent (100%) of the PAGA
17 Group Members share of the PAGA Payment shall be civil penalties; Twenty Percent (20%) of the
18 Individual Settlement Payment (excluding any portion of the share of the PAGA Payment) to
19 Participating Class Members as wages; and Eighty Percent (80%) of the Individual Settlement
20 Payment (excluding any portion of the share of the PAGA Payment) to Participating Class
21 Members as non-wage statutory damages and interest. Portions of each Individual Settlement
22 Payment allocated as wages will be reported on an IRS Form W-2. Portions allocated as non-wage
23 statutory damages and interest, and those portions allocated as PAGA penalties, will be reported
24 on an IRS Form 1099.

25 63. Payment of Individual Settlement Payments. The Settlement Administrator shall
26 have the authority and obligation to make all payments, credits and disbursements, calculated in
27 accordance with the methodology set forth in this Settlement Agreement and orders of the Court.
28 The Settlement Administrator's duties will include reporting payment of the Individual Settlement

1 Payments to all required taxing and other authorities, taking appropriate withholding from the
2 Individual Settlement Payments, and issuing the appropriate IRS Forms W-2 and 1099. No person
3 shall have any claim against Defendants, Defendant's Counsel, Plaintiffs, Class Counsel, the
4 Settlement Administrator, or any Participating Class Member and/or PAGA Group Member based
5 on distributions and payments made in accordance with this Settlement Agreement.

6 64. Distribution of Individual Settlement Payments. The Settlement Administrator
7 shall distribute to each Participating Class Member and PAGA Group Member 50% of the
8 Individual Settlement Payment within ten (10) business after receipt of Installment 2. The
9 Settlement Administrator shall distribute to each Participating Class Member and PAGA Group
10 Member the remaining 50% of the Individual Settlement Payment within ten (10) business after
11 receipt of Installment 6.

12 65. No Credit Toward Employer Provided Benefit Plans. All Individual Settlement
13 Payments to Participating Class Members and PAGA Group Members shall be deemed to be
14 income to such Participating Class Members or PAGA Group Members solely in the year in which
15 such awards actually are received by the Participating Class Members and PAGA Group
16 Members. It is expressly understood and agreed that the receipt of such Individual Settlement
17 Payments will not entitle any Participating Class Member or PAGA Group Member to additional
18 compensation or benefits under any company bonus, paid time off (including vacation and sick
19 leave), or other compensation or benefit plan or agreement in place during the period covered by
20 the Settlement Agreement, nor will it entitle any Participating Class Member or PAGA Group
21 Member to any increased retirement, 401(k) benefits or matching benefits, or deferred
22 compensation benefits. It is the intent of this Settlement Agreement that the Individual Settlement
23 Payments provided for in this Agreement are the sole payments to be made by Defendants to the
24 Participating Class Members and PAGA Group Members in connection with this Settlement
25 Agreement, and that the Participating Class Members and PAGA Group Members are not entitled
26 to any new or additional compensation or benefits as a result of having received the Individual
27 Settlement Payments (notwithstanding any contrary language or agreement in any benefit or
28 compensation plan document that might have been in effect during the period covered by this

1 Settlement Agreement).

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

26 67. Non-Negotiated Settlement Checks. Participating Class Members and PAGA
27 Group Member must cash each of their Individual Settlement Payment checks within one hundred
28 eighty (180) calendar days after they are mailed by the Settlement Administrator. The Parties

1 agree that any uncashed checks, subject to Court approval, shall be distributed to the Controller of
2 the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code
3 §1500, *et. seq.* for the benefit of those Participating Class Members and PAGA Group Members
4 who did not cash their checks until such time that they claim their property. The Parties agree that
5 this disposition results in no “unpaid residue” under California Civil Procedure Code section 384,
6 as the entire Net Settlement Amount will be paid out to Participating Class Members and PAGA
7 Group Members.

8 68. Settlement Administrator’s Final Report(s). Not less than ten (10) calendar days
9 after the Notice Deadline, the Settlement Administrator shall report to Defendant’s Counsel and
10 Class Counsel: (i) the names of individuals who opted-out of the settlement; (ii) the Individual
11 Settlement Payments owed to each Participating Class Member and/or PAGA Group Member; and
12 (iii) the final number of Class Members who have submitted objections and/or valid Requests for
13 Exclusion requests from the settlement. Upon completion of administration of the settlement, the
14 Settlement Administrator will provide a written declaration under oath to certify such completion
15 to the Court and counsel for all Parties. Additionally, once Defendants fully funds the Maximum
16 Settlement Amount and payroll taxes, the Settlement Administrator will provide a written
17 declaration under oath to certify Defendants’ full and final satisfaction of the Maximum
18 Settlement Amount and payroll taxes and for Defendants’ use and records.

19 69. Class Members’ Release of Class Claims. Upon the funding of the Maximum
20 Settlement Amount and all applicable employer-side payroll taxes, and except as to such rights or
21 claims as may be created by this Settlement Agreement, each and every Participating Class
22 Member, on behalf of themselves and their heirs and assigns, releases the Released Parties from
23 the Released Claims that arose during the Class Period. A Participating Class Member’s cashing
24 of the settlement check will be considered a consent and opt-in to the settlement of all federal
25 wage and hour claims under the FLSA which are encompassed within these Released Claims, and
26 each Participating Class Member who cashes his or her settlement check will waive his or her
27 rights to bring such claims under the FLSA which arose during the Class Period. A Participating
28 Class Member who does not cash his or her settlement check will retain all rights and claims under

1 the FLSA. However, the settlement will still discharge and extinguish the claims described herein
2 under California law, including those for Participating Class Members who do not cash their
3 settlement checks or who do not opt out of the settlement.

4 70. PAGA Group Members' Release of PAGA Claims. Upon the funding of the
5 Maximum Settlement Amount and all applicable employer-side payroll taxes, and except as to
6 such rights or claims as may be created by this Settlement Agreement, each and every PAGA
7 Group Member, on behalf of themselves and their heirs and assigns, and Plaintiff, on behalf of the
8 State of California, releases the Released Parties from the Released PAGA Claims that arose
9 during the PAGA Period.

10 71. General Release of Any and All Claims of Any Kind by Class Representatives
11 Only. Upon the funding of the Maximum Settlement Amount and all applicable employer-side
12 payroll taxes, the Class Representative releases the Released Claims against the Released Parties,
13 and makes the additional following General Release in favor of the Released Parties:

14 a. The Class Representatives individually hereby unconditionally waive and
15 forever release, waive, and discharge, any and all demands, damages, debts, liabilities, contracts,
16 obligations, actions, causes of action and claims of every kind, nature, and description whatsoever,
17 whether now known or unknown, suspected or unsuspected, including in equity or otherwise,
18 which they ever had or now has against the Released Parties arising or accruing at any time prior
19 to the Effective Date, including without limitation without limitation any matter, cause or claim
20 arising out of or related to facts or events occurring prior to the execution of this Settlement
21 Agreement, and/or related to Plaintiffs' employment with Defendants and their separation
22 therefrom. At a minimum, the claims released by the Class Representative include but are not
23 limited to: (a) any claims that were or could have been brought under California Labor Code
24 sections 132a, 201, 202, 203, 204, 216, 218, 218.5, 218.6, 225.5, 226, 226.3, 226.7, 432.5, 510,
25 512, 558, 1050, 1054, 1194, 1194.2, 1197, 1198, 2698 et seq., 2800, et seq., the applicable
26 Industrial Welfare Commission Wage Orders, the FLSA, and all related or corresponding federal
27 laws, and all implementing regulations and interpreting guidance; (b) any claims that were or
28 could have been brought under California Corporations Code, and California Business and

1 Professions Code, including but not limited to California Business and Professions Code section
2 17200 et seq. as unlawful, fraudulent or misleading based on the claims, facts and allegations
3 alleged in the Action (including, but not limited to, claims of conduct unlawful under state or
4 federal law); (c) any other causes of action, including those seeking premiums, penalties, interest,
5 punitive damages, costs, attorneys' fees, injunctive relief, declaratory relief, or accounting,
6 whether such causes of action are in tort, contract, equity, statute, or common law; (d) any claims
7 under the Fair Employment and Housing Act, Americans with Disabilities Act, Age
8 Discrimination in Employment Act, and Title VII of the Civil Rights Act of 1964, and (e) any
9 other claims the Class Representatives could have made related to their employment with
10 Defendants. The Class Representatives may hereafter discover facts in addition to or different
11 from those which they now know or believe to be true, but stipulates and agrees that, upon the
12 funding of the Maximum Settlement Amount and all applicable employer-side payroll taxes, they
13 fully, finally, and forever settles and releases any and all claims, known or unknown, suspected or
14 unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist,
15 or heretofore have existed, upon any theory of law or equity and without regard to the subsequent
16 discovery or existence of such different or additional facts. Plaintiffs are deemed, by operation of
17 the Order granting Final Approval, to have agreed not to sue or otherwise make a claim against
18 any of the Released Parties for any claim.

19 b. The Class Representatives acknowledge that they have had the opportunity
20 to review, and has reviewed, California Civil Code section 1542, which provides:

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

25 Being fully informed of this provision of the Civil Code and understanding its provisions,
26 the Class Representatives agrees to waive any rights under that section, and acknowledge that this
27 Settlement Agreement and the release contained herein extends to all claims that they have or
28 might have against the Released Parties, including those which are presently unknown to them or

1 that they do not know or suspect to exist, which, if known by Plaintiffs, might have affected their
2 settlement with, and release of, the Released Parties or might have affected their decision.

3 72. Final Approval Hearing and Entry of Judgment. Upon expiration of the deadlines
4 to postmark a request to be excluded from or objection to the Settlement Agreement, and with the
5 Court's permission, a Final Approval hearing shall be conducted to finally determine the fairness
6 of the settlement, along with the amounts properly payable for (a) Individual Settlement
7 Payments; (b) The Class Representatives' Service Award; (c) Class Counsel's attorneys' fees and
8 litigation costs and expenses; (d) Settlement Administration Costs; and (e) the PAGA Payment.
9 Class Counsel will be responsible for drafting the attorneys' fees and costs application/motion to
10 be heard at the Final Approval hearing, which such application/motion may be part of the Class
11 Representative's motion for final approval.

12 73. Judgment and Continued Jurisdiction. Upon Final Approval of the settlement by
13 the Court or at the time of or subsequent to the Final Approval hearing, the Parties shall present a
14 Final Approval to the Court for approval and entry. After entry of the Final Approval, the Court
15 shall have continuing jurisdiction under Code of Civil Procedure section 664.6 solely for purposes
16 of addressing: (a) the interpretation and enforcement of the terms of the settlement, (b) Settlement
17 Administration matters, (c) failure to timely pay all amounts owed by Defendant, and (d) such
18 post-Final Approval matters as may be appropriate under court rules or as set forth in this
19 Settlement Agreement. The Parties understand and agree that if any party brings an action to
20 enforce any of the terms of this Agreement, the prevailing party shall be entitled to its/her/his
21 reasonable attorneys' fees and costs.

22 74. No Solicitation of Settlement Objections or Exclusions. The Parties agree to use
23 their best efforts to carry out the terms of this Settlement Agreement. At no time shall any of the
24 Parties or their counsel seek to solicit or otherwise encourage Class Members to submit either a
25 Request for Exclusion or written objections to the Settlement Agreement or to appeal from the
26 Court's Final Approval.

27 75. Interim Stay of Proceedings. Pending completion of the settlement process, the
28 Parties agree to a stay of all proceedings in the Action except such as are necessary to implement

1 the Settlement itself and the Parties agree to refrain from further litigation of this matter, except as
2 to proceedings necessary to implement and obtain an order granting Final Approval of the terms of
3 the settlement.

4 76. Nullification of Settlement Agreement. In the event: (i) Defendants timely and
5 properly revoke this Settlement Agreement as set forth in Section VI. Paragraph 55.(g) herein; (ii)
6 the Court does not finally approve the Settlement Agreement as provided herein; (iii) the Court
7 does not enter Final Approval as provided herein, which becomes final as a result of the
8 occurrence of the Effective Date; or (iv) the Settlement Agreement does not become final for any
9 other reason, this Settlement Agreement shall be null and void and any order or judgment entered
10 by the Court in furtherance of this Settlement Agreement shall be treated as void from the
11 beginning. In such a case, the Parties shall be returned to their respective statuses as of the date
12 and time immediately prior to the execution of this Settlement Agreement and the Parties shall
13 proceed in all respects as if this Settlement Agreement had not been executed (and the terms and
14 existence of the Settlement Agreement will be confidential). In the event an appeal is filed from
15 the Court's Final Approval, or any other appellate review is sought prior to the Effective Date,
16 administration of the Settlement Agreement shall be stayed pending final resolution of the appeal
17 or other appellate review (unless otherwise agreed to by the Parties).

18 77. No Admission. Nothing contained herein, nor the consummation of this Settlement
19 Agreement, is to be construed or deemed an admission of liability, culpability, negligence, or
20 wrongdoing on the part of Defendants or any of the other Released Parties. Defendants
21 specifically deny any and all liability. Each of the Parties hereto has entered into this Settlement
22 Agreement with the intention of avoiding further disputes and litigation with the attendant
23 inconvenience and expenses. This Settlement Agreement is a settlement document and, pursuant
24 to California Evidence Code section 1152 and/or Federal Rule of Evidence 408 and/or any other
25 similar law, shall be inadmissible in evidence in any proceeding, except an action or proceeding to
26 approve the settlement, and/or interpret or enforce this Settlement Agreement, including but not
27 limited to use as a bar or affirmative defense, in whole or in part, to other or future claims or
28 actions.

78. Construction. The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms-length negotiations between the Parties, and that this Settlement Agreement shall not be construed in favor of or against any party by reason of the extent to which any Party or his, her, or its counsel participated in the drafting of this Settlement Agreement.

79. Notices. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by U.S. registered or certified mail, return receipt requested, addressed as follows:

To Class Counsel:	To Defendants' Counsel:
Dennis S. Hyun Hyun Legal, APC 515 S. Figueroa St., Suite 1250 Los Angeles, California 90071 Zack Broslavsky, Esq. Broslavsky & Weinman, LLP 1500 Rosecrans Ave., Suite 500 Los Angeles, CA 90266	Atkinson, Andelson, Loya, Ruud & Romo A Professional Law Corporation Michael J. O'Connor, Jr. State Bar No. 202734 Michael.OConnor@aallrr.com Sarkis A. Atoyan State Bar No. 309618 Sarkis.Atoyan@aallrr.com 4275 Executive Square, Suite 700 La Jolla, California 92037-1477

80. Tax Liability. Neither the Parties, nor their counsel make any representations as to the tax treatment or legal effect of the payments called for hereunder, and Participating Class Members and PAGA Group Members are not relying on any statement or representation by the Parties in this regard. Participating Class Members and PAGA Group Members understand and agree that Participating Class Members and PAGA Group Members will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein.

81. Headings. The descriptive headings of any paragraphs or sections of this Settlement Agreement are inserted for convenience of reference only and do not constitute a part

1 of this Settlement Agreement, and in no way, define, limit, extend, or describe the scope of this
2 Settlement Agreement or any provision herein.

3 82. Amendment or Modification. Unless otherwise provided herein, this Settlement
4 Agreement may be amended or modified only by a written instrument signed by counsel for all
5 Parties or their successors-in-interest, and approved by the Court.

6 83. Entire Agreement. This Settlement Agreement, any supplemental written
7 agreement subsequently incorporated, and any attached exhibits constitute the entire Settlement
8 Agreement among these Parties, and no oral or written representations, warranties or inducements
9 have been made to any Party concerning this Settlement Agreement or its exhibits other than the
10 representations, warranties and covenants contained and memorialized in such documents.

11 84. Authorization to Enter into Settlement Agreement. The signatories hereto represent
12 that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to
13 the terms and conditions hereof.

14 85. Mutual Full Cooperation. The Parties and their counsel will cooperate with each
15 other and use their best efforts to effect the implementation of the Settlement Agreement,
16 including but not limited to, execution of such documents and to take such other action as may be
17 reasonably be necessary to implement the terms of this Settlement Agreement. As soon as
18 practicable after execution of this Settlement Agreement, Class Counsel shall, with the assistance
19 of Defendants and Defendants' Counsel, take all necessary steps to secure the Court's Preliminary
20 Approval and Final Approval of this Settlement Agreement. In the event the Parties are unable to
21 reach agreement on the form or content of any document needed to implement the Settlement
22 Agreement, or on any supplemental provisions that may become necessary to effectuate the terms
23 of this Settlement Agreement, the Parties may seek the assistance of the Court to resolve such
24 disagreement.

25 86. No Prior Assignments. The Parties hereto represent, covenant, and warrant that
26 they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign,
27 transfer, or encumber to any person or entity any portion of liability, claim, demand, action, cause
28 of action, or rights herein released and discharged except as set forth herein.

1 87. Binding on Successors and Assigns. This Settlement Agreement shall be binding
2 on the Parties' successors, assigns, and agents, and inures to the benefit of the Released Parties,
3 including Defendants and its past, present, and/or future owners, officers, directors, managing
4 agents, trustees, payroll processors, independent contractors, members, shareholders, managers,
5 employees, attorneys, insurers, assigns, shareholders, successors, predecessors and agents,
6 Defendants' past, present, and/or future parent, subsidiary, or affiliated entities, DBAs and
7 franchisors, franchisees, and each of their owners, officers, directors, managing agents, trustees,
8 payroll processors, independent contractors, members, managers, employees, attorneys, insurers,
9 assigns, shareholders, successors, predecessors and agents.

10 88. Participating Class Member Signatories. It is agreed that because the Participating
11 Class Members are so numerous, it is impossible or impractical to have each Participating Class
12 Member execute this Settlement Agreement. The Notice of Settlement will advise all Class
13 Members of the binding nature of the release and, upon Final Approval, such shall have the same
14 force and effect as if this Settlement Agreement were executed by each Participating Class
15 Member. Notice of Entry of Judgment shall be served by the Class Representative on Defendants.

16 89. California Law Governs. All terms of this Settlement Agreement shall be governed
17 by and interpreted according to the laws of the State of California, without giving effect to any
18 conflict of law principles or choice of law principles.

19 90. Counterparts. This Settlement Agreement may be executed in one or more
20 counterparts and by DocuSign. All executed counterparts and each of them shall be deemed to be
21 one and the same instrument provided that counsel for the Parties to this Settlement Agreement
22 shall exchange among themselves original signed counterparts.

23 91. The Class Representative's Waiver of Right to be Excluded and Object. The Class
24 Representative agrees that by signing this Settlement Agreement, she is bound by the terms herein
25 stated and further agrees not to request to be excluded from the settlement and agrees not to object
26 to any of the terms of this Settlement Agreement. Any such letter requesting to be excluded from
27 the settlement or objection shall therefore be void and of no force or effect. Efforts by the Class
28 Representative to circumvent the terms of this paragraph shall be void and of no force or effect.

92. Confidentiality Preceding Preliminary Approval, Non-Reporting. The Class Representative and Class Counsel agree that the terms of this settlement (including, but not limited to, the Maximum Settlement Amount), the negotiations leading to this settlement, and all documents related to the settlement shall not be discussed with, advertised, marketed, publicized, published, reported, posted, or promoted to the public, except as necessary to effectuate and/or enforce the terms of this Settlement Agreement and its approval. The Class Representative and Class Counsel further will not publicize, post, market, advertise, or report, the terms of this Settlement Agreement and will not issue any press releases, except that the Class Representative and Class Counsel may disclose in legal proceedings, if and only as necessary a summary of the terms of the Settlement Agreement and may communicate with Class Members regarding the settlement, its terms, and its history (apart from settlement communications). The Parties intend to buy their peace, in full.

93. Five Year Rule. The Parties hereby stipulate that Code of Civil Procedure § 583.310 is hereby tolled and that the five years to bring this action to trial shall be calculated from five years from any of the following conditions: (1) the date that any party rescinds this Agreement; (2) the date that any party breaches this Agreement, *i.e.*, refuses to perform any conditions under this Agreement; or (3) the Court denies preliminary and/or final approval of class action settlement, with prejudice.

Dated: TEAM BLAZE D.B.A. BLAZE PIZZA

By: 
reza medali (Aug 2, 2023 13:53 PDT)

Title:

Dated: GHOLMAREZA MEDALI

By: 
reza medali (Aug 2, 2023 13:53 PDT)

Title:

Dated: 7/18/2023

RAEIGN VELASQUEZ

92. Confidentiality Preceding Preliminary Approval, Non-Reporting. The Class Representative and Class Counsel agree that the terms of this settlement (including, but not limited to, the Maximum Settlement Amount), the negotiations leading to this settlement, and all documents related to the settlement shall not be discussed with, advertised, marketed, publicized, published, reported, posted, or promoted to the public, except as necessary to effectuate and/or enforce the terms of this Settlement Agreement and its approval. The Class Representative and Class Counsel further will not publicize, post, market, advertise, or report, the terms of this Settlement Agreement and will not issue any press releases, except that the Class Representative and Class Counsel may disclose in legal proceedings, if and only as necessary a summary of the terms of the Settlement Agreement and may communicate with Class Members regarding the settlement, its terms, and its history (apart from settlement communications). The Parties intend to buy their peace, in full.

93. Five Year Rule. The Parties hereby stipulate that Code of Civil Procedure § 583.310 is hereby tolled and that the five years to bring this action to trial shall be calculated from five years from any of the following conditions: (1) the date that any party rescinds this Agreement; (2) the date that any party breaches this Agreement, *i.e.*, refuses to perform any conditions under this Agreement; or (3) the Court denies preliminary and/or final approval of class action settlement, with prejudice.

Dated: TEAM BLAZE D.B.A. BLAZE PIZZA

By: _____

Title:

Dated: GHOLMAREZA MEDALI

By: _____

Title:

Dated: 7/18/2023

RAEIGN VELASQUEZ

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RAEIGN VELASQUEZ
MIKAYLA ASEVO

By: 
MIKAYLA ASEVO
ERIC RIVAS

By:
ERIC RIVAS

APPROVED AS TO FORM ONLY

Dated: August 8, 2023

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

By: 
Michael J. O'Connor Jr.
Sarkis A. Atoyan
Attorneys for Defendants

Dated: July 24, 2023

HYUN LEGAL, APC

By: 
Dennis S. Hyun
Attorney for Plaintiffs

Dated: July 24, 2023

BROSLAVSKY & WEINMAN, LLP

By: 
Zack Broslavsky, Esq.
Attorney for Plaintiffs

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Dated:

7/21/23

By:
RAEIGN VELASQUEZ
MIKAYLA ASEVO

By: 
MIKAYLA ASEVO
ERIC RIVAS

Dated:

7/19/2023

By: 
ERIC RIVAS

APPROVED AS TO FORM ONLY

Dated:

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

By:

Michael J. O'Connor Jr.
Sarkis A. Atoyan
Attorneys for Defendants

Dated:

HYUN LEGAL, APC

By:

Dennis S. Hyun
Attorney for Plaintiffs

Dated:

BROSLAVSKY & WEINMAN, LLP

By:

Zack Broslavsky, Esq.
Attorney for Plaintiffs

EXHIBIT 1

COURT-APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Raeign Velasquez et al. v. Team Blaze et al.
(Orange County Superior Court, Case No. 30-2021-01187932-CU-OE-CXC)

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Team Blaze and Gholamreza Medali (“Defendants”) for alleged wage and hour violations. The Action was filed by former Team Blaze employees Raeign Velasquez, Mikayla Asevo, and Eric Rivas (“Plaintiffs”) and seeks payment of (1) unpaid minimum and overtime wages, meal period premiums, rest period premiums, and related penalties for a class of non-exempt or hourly-paid employees (“Class Members”) who worked for Defendants during the Class Period (September 26, 2018 to [date]); and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all non-exempt or hourly-paid employees who worked for Defendants during the PAGA Period (March 9, 2020 to [date]) (“Aggrieved Employees”). Defendants have not admitted, and are not admitting to any allegations of wrongdoing in this case, and in fact expressly *deny* Plaintiffs’ claims and that any of its practices at issue in this lawsuit were or are unlawful, and that any liability can attach. Specifically, Defendants contend, among other things, that it correctly compensated all employees; provided all employees with proper meal and rest periods or paid required premiums for missed or non-compliant breaks; provided all employees with compliant wage statements; and timely paid all employees all wages owing at the time of termination. Defendants contend this matter cannot ultimately proceed as a class and/or representative action. Ultimately, the Parties have entered into the settlement solely for purposes of resolving this dispute and avoiding continuing litigation, risk, time, and costs.

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendants to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (the “LWDA”).

Based on Defendants’ records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$_____ (less withholding) and your Individual PAGA Payment is estimated to be \$_____**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period per Defendants’ records.)

The above estimates are based on Defendants’ records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ workweeks** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs' attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

If you worked for Defendants during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendants.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendants, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendants will not retaliate against you for any actions or inactions which you may take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.
The Opt-out Deadline is [date]	You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [date]	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs. Class Counsel and Plaintiffs shall be paid from the Gross Settlement Amount, which reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the [date] Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [date]. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by [date]	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendants’ records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [date]. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former employees of Defendants. In this Action, Plaintiffs allege that Defendants violated California labor laws by failing to pay all overtime wages, minimum wages, and wages due upon termination, and by failing to provide all meal periods, rest breaks and accurate itemized wage statements. Based on these claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiffs are represented by attorneys in the Action: Dennis S. Hyun of Hyun Legal, APC and Zack Broslavsky of Broslavsky & Weinman, LLP (“Class Counsel.”)

Defendants strongly deny Plaintiffs’ claims, and deny that there has been any violation of any laws or failure to pay any wages, and contend that they complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

This notice is not intended to be, and should not be construed as, an expression of any opinion by the Court with respect to the truth of the allegations raised in the Action or the merits of the claims or defenses asserted. So far, the Court has made no determination whether Defendants or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendants hired an experienced, neutral

mediator and retired judge to mediate the dispute in an effort to resolve the Action and to assist in the Parties' negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Defendants have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel believe the Settlement fair, reasonable and adequate considering the strength of the claims and the risks and uncertainties of continued litigation; and that the Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendants Will Pay \$600,000.00 as the Gross Settlement Amount (Gross Settlement). Defendants have agreed to deposit the all-in, Gross Settlement into an account controlled by the Administrator of the Settlement. The Gross Settlement does not include Defendants' employer-side payroll taxes, which shall be paid separately by Defendants. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement as follows:
 - A. Installment 1: One Hundred and Fifty Thousand Dollars and Zero Cents (\$150,000) within thirty (30) calendar days of the Court granting Final Approval;
 - B. Installment 2: One Hundred and Fifty Thousand Dollars and Zero Cents (\$150,000) within one hundred eighty (180) calendar days of the Court granting Final Approval;
 - C. Installment 3: Seventy Five Thousand Dollars and Zero Cents (\$75,000) within three hundred sixty (360) calendar days of the Court granting Final Approval;
 - D. Installment 4: Seventy Five Thousand Dollars and Zero Cents (\$75,000) within five hundred forty (540) calendar days of the Court granting Final Approval;
 - E. Installment 5: Seventy Five Thousand Dollars and Zero Cents (\$75,000) within seven hundred twenty (720) calendar days of the Court granting Final Approval;
 - F. Installment 6: Seventy Five Thousand Dollars and Zero Cents (\$75,000) within nine hundred (900) calendar days of the Court granting Final Approval.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

- A. Up to \$200,000 (or one-third of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$50,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- B. Up to \$22,500 (i.e. \$7,500 to each Class Representative) to Plaintiffs as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.
- C. Up to \$27,750 to the Administrator for services administering the Settlement.
- D. Up to \$60,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

- 3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
- 4. Taxes Owed on Payments to Class Members. Plaintiffs are asking the Court to approve an allocation of 20% of each Individual Class Payment (excluding any portion of the share of the PAGA Payment) to taxable wages ("Wage Portion") and 80% of each Individual Class Payment (excluding any portion of the share of the PAGA Payment) to non-wage statutory damages and interest ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay any employer-side payroll taxes owed on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs and Defendants have agreed to the above allocations in order to support the proposed Settlement, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

- 5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed

Property Fund in your name. If the monies represented by your check is sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [date], that you wish to opt-out. The easiest way to notify the Administrator is to complete, sign and mail the enclosed Request for Exclusion Form to be postmarked by the [date] Response Deadline. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendants.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.
8. Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
9. Participating Class Members' Release. After the Judgment is final and Defendants have fully funded the Gross Settlement and separately paid all employers payroll taxes, Participating Class Members will release the claims under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you will release the following claims against Defendants or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims, damages, or causes of action alleged in, or arising out of, the allegations in the Complaint filed in the Action and the PAGA Notice, which were alleged or that could have been

alleged by Plaintiffs and/or any Participating Class Member in such complaints and/or the PAGA Notice based on any of the factual allegations contained in such complaints and/or the PAGA Notice, including, but not limited to, claims under state, or local law, including, but not limited to claims for unpaid wages, claims for the failure to pay minimum wages, claims for the failure to pay overtime wages, claims related to missed meal and rest breaks or periods and nonpayment of premium pay for such, failure to comply with itemized employee wage statement provisions, failure to pay wages due at separation, failure to timely pay wages during employment, failure to keep requisite payroll records, unfair competition, the payment of any penalties (including PAGA). The Released Claims specifically include, but are not limited to, all claims arising under California Labor Code sections 201, 202, 203, 204, 210, 218.5, 226, 226.7, 510, 512, 1174, 1194, 1194.2, 1197, and 1197.1, the Wage Orders of the California Industrial Welfare Commission, California Business and Profession Code sections 17200, *et seq.*, California Code of Civil Procedure section 1021.5, and California common law of contract, interest and claims for attorney's fees relating in any way to those claims alleged and mentioned in the complaint(s) and/or PAGA Notice. The Released Parties means Defendants, their past, present, and/or future owners, officers, directors, managing agents, trustees, payroll processors, independent contractors, members, shareholders, managers, employees, attorneys, insurers, assigns, successors, predecessors and agents, and Defendants' past, present, and/or future parent, subsidiary, or affiliated entities, DBAs, franchisors, franchisees, and each of their owners, officers, directors, managing agents, trustees, payroll processors, independent contractors, members, managers, employees, attorneys, insurers, assigns, shareholders, successors, predecessors and agents.

Additionally, a Participating Class Member's cashing of the settlement check will be considered a consent and opt-in to the settlement of all federal wage and hour claims under the FLSA which are encompassed within these Released Claims, and each Participating Class Member who cashes his or her settlement check will waive his or her rights to bring such claims under the FLSA which arose during the Class Period. A Participating Class Member who does not cash his or her settlement check will retain all rights and claims under the FLSA. However, the settlement will still discharge and extinguish the claims described herein under California law, including those for Participating Class Members who do not cash their settlement checks or who do not opt out of the settlement.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendants have paid the Gross Settlement and separately paid the employer-side payroll taxes, all Aggrieved Employees will be barred from asserting PAGA claims against Defendants, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for civil penalties under PAGA based on the labor code violations alleged in the PAGA Notice sent by Plaintiffs to the LWDA, including California Labor Code sections 201, 202, 203, 204, 210, 218.5, 226, 226.7, 510, 512, 1174, 1194, 1194.2, 1197, 1197.1, 2698, *et seq.*, the IWC Wage Orders as well as all facts, theories, or claims for civil penalties that would be considered administratively exhausted under applicable law by the PAGA Notice Plaintiffs sent to the LWDA.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$15,000 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until [date] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendants' calculation of Workweeks and/or Pay Periods based on Defendants' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendants' Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, one check in the amount of 50% of the Individual Settlement Payment within ten (10) business after receipt of Installment 2 and one check for the remaining 50% of the Individual Settlement Payment

within ten (10) business after receipt of Installment 6 to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, one check in the amount of 50% of the Individual PAGA Payment within ten (10) business after receipt of Installment 2 and one check for the remaining 50% of the Individual PAGA Payment within ten (10) business after receipt of Installment 6 to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check(s) will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Complete, sign and mail the enclosed Request for Exclusion Form, so it is postmarked by ***, 2023. You must make the request yourself. If someone else makes the request for you, it will not be valid. Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Defendants are asking the Court to approve. At least 16 court days before the [date] Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement, attorney's fees and costs, and Service Award are fair. Upon reasonable request, Class Counsel will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website [<https://www.phoenixclassaction.com/>] or the Court's website (<https://civilwebshopping.occourts.org/Search.do#searchAnchor>) and entering the Case Number for the Action, Case No. 30-2021-01187932-CU-OE-CXC.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is so that it is postmarked by [date].** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Raeign Velasquez et al. v. Team Blaze et al.* and include your name, current address, telephone number, and approximate dates of employment for Defendants' and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [date] at [time] in Department CX101 of the Orange County Superior Court, located at 751 W Santa Ana Blvd, Santa Ana, CA 92701. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via <https://www.occourts.org/media-relations/aci.html>. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website [<https://www.phoenixclassaction.com/>] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to Phoenix Settlement Administrators' website at [<https://www.phoenixclassaction.com/>]. You can also telephone or send an email to the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://civilwebshopping.occourts.org/Search.do#searchAnchor>) and entering the Case Number for the Action, Case No. 30-2021-01187932-CU-OE-CXC. You can also make an appointment to personally review court documents in the Clerk's Office at the Civil Complex Center by calling (657) 622-8451.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Settlement Administrator:
[Name of Company]

[Email Address]
[Mailing Address]
[Telephone]
[Fax Number]

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your

check is already void you should consult the Unclaimed Property Fund [https://www.sco.ca.gov/search_upd.html] for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

REQUEST FOR EXCLUSION

Raeign Velasquez et al. v. Team Blaze et al.

(Orange County Superior Court, Case No. 30-2021-01187932-CU-OE-CXC)

COMPLETE AND SIGN THIS FORM IF YOU WANT TO **EXCLUDE** YOURSELF FROM THE *VELASQUEZ V. TEAM BLAZE* CLASS ACTION SETTLEMENT. **YOU MAY NOT REQUEST EXCLUSION FROM THE PAGA CLAIMS**

I am/was employed by Team Blaze (“Defendant”) as a non-exempt employee in the State of California from September 26, 2018 to *****, 2023.

I wish to be excluded from the class action settlement reached in the matter of *Velasquez v. Team Blaze*. I understand that by excluding myself I will not receive money from the class portion of the settlement.

Full Name: _____

Mailing Address: _____

Telephone Number: _____

Last Four (4) Digits of Your Social Security Number: _____ and/or Employee ID Number: _____

Signature

Dated: _____

THIS DOCUMENT MUST BE SENT VIA U.S. MAIL POSTMARKED NO LATER THAN

[RESPONSE DEADLINE] TO:

[Settlement Administrator]

[Address]

IF YOU WANT TO RECEIVE MONEY FROM THE CLASS ACTION SETTLEMENT, **DO NOT** RETURN THIS FORM.

EXHIBIT 2

Zack Broslavsky (State Bar No. 241736)
Jonathan A. Weinman (State Bar No. 256553)
BROSLAVSKY & WEINMAN, LLP
1500 Rosecrans Ave., Suite 500
Manhattan Beach, CA 90266
Phone: (310) 575-2550
Fax: (310) 464-3550

Dennis S. Hyun (State Bar No. 224240)
HYUN LEGAL, APC
515 S. Figueroa St., Suite 1250
Los Angeles, California 90071
(213) 488-6555
(213) 488-6554 facsimile

Attorneys for Plaintiffs and the Class

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

RAEIGN VELASQUEZ, MIKAYLA ASEVO
and ERIC RIVAS on behalf of themselves and
on behalf of all persons similarly situated

Plaintiffs,

v.

TEAM BLAZE, a California Corporation;
GHOLAMREZA MEDALI, an individual; and
DOES 1 to 100, inclusive,

Defendants.

Case No. 30-2021-01187932-CU-OE-CXC

[Assigned for all purposes to the Hon. Peter J.
Wilson, Dept. CX101]

**[PROPOSED] ORDER GRANTING
PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
AND REPRESENTATIVE ACTION
SETTLEMENT**

Date: _____

Time: _____

Dept.: CX101

Complaint Filed: March 9, 2021

Trial Date: Not set

1 Plaintiff Raeign Velasquez, Mikayla Asevo, and Eric Rivas' (collectively, "Plaintiffs")
2 application for an Order Granting Preliminary Approval of Class and Representative Action
3 Settlement was filed with the Court on _____, 2023, and a hearing was held before this Court
4 on _____. Appearances for the Parties were noted on the record.

5 The Court has considered the Class and Representative Action Settlement Agreement
6 ("Settlement Agreement") and all other papers filed in this action.

7 NOW THEREFORE, IT IS HEREBY ORDERED:

8 1. This Court grants preliminary approval of the Settlement Agreement between
9 Plaintiffs and Defendants Team Blaze and Gholamreza Medali ("Defendants") filed herewith.
10 The Settlement Agreement appears to be fair, adequate, and reasonable to the Class;

11 2. All defined terms contained herein shall have the same meanings as set forth in
12 the Settlement Agreement;

13 3. Plaintiffs and Defendants (hereinafter, the "Settling Parties"), through their
14 counsel of record in the Litigation, have reached an agreement to settle all claims in the
15 Litigation on behalf of the Class (as defined below and in the Settlement Agreement) as a whole;

16 4. The Court hereby conditionally certifies the following Class for settlement
17 purposes only:

18 non-exempt hourly employees who were employed by Defendants during the
19 Class Period.

20 5. The Class Period is the period of time beginning on September 26, 2018 through
21 the date the Court grants Preliminary Approval.

22 6. Should for whatever reason the settlement not become Final, the fact that the
23 Parties were willing to stipulate to certification of a class as part of the settlement shall have no
24 bearing on, or be admissible in connection with, the Action or the issue of whether a class should
25 be certified in a non-settlement context.

26 7. The Court appoints and designates: (a) Plaintiffs Raeign Velasquez, Mikayla
27 Asevo, and Eric Rivas as the Class Representatives and (b) Zack Broslavsky and Jonathan A.
28 Weinman of Broslavsky & Weinman LLP and Dennis S. Hyun of Hyun Legal, APC as Class

1 Counsel for the Class. Class Counsel is authorized to act on behalf of the Class with respect to all
2 acts or consents required by, or which may be given, pursuant to the Settlement Agreement, and
3 such other acts reasonably necessary to finalize the Settlement Agreement and its terms. Any
4 Class Member may enter an appearance through his or her own counsel at such Class Member's
5 own expense. Any Class Member who does not enter an appearance or appear on his or her own
6 behalf will be represented by Class Counsel.

7 8. The Court hereby approves the terms and conditions provided for in the
8 Settlement Agreement.

9 9. The Court hereby preliminarily approves the Settlement Agreement and the
10 Maximum Settlement Amount of \$600,000.00, which is to be distributed as follows: (a) up to
11 \$7,500.00 is to be paid to each Class Representative as Class Representative Enhancement
12 Award, (b) up to \$200,000.00 shall be paid to Class Counsel for attorneys' fees, plus up to
13 \$50,000.00 for reimbursement of litigation costs, (c) up to \$60,000.00 shall be allocated as
14 PAGA penalties (of which 75% (\$45,000.00) shall be paid to the LWDA and 25% (\$15,000.00)
15 shall be paid to the PAGA Group Members), and (d) the Settlement Administrator shall be paid
16 for its fees and costs relating to the settlement administration process which is expected to not
17 exceed \$27,750.00. The Court further hereby preliminarily approves the Net Settlement Amount
18 and the formulas provided in the Settlement Agreement regarding Individual Class Payments and
19 Individual PAGA Payments.

20 10. The Court finds that on a preliminary basis the Settlement Agreement appears to
21 be within the range of reasonableness of a settlement, including the amount of the PAGA
22 penalties, Plaintiffs' Enhancement Payments, Class Counsel's fees and costs, Settlement
23 Administration Costs, and the allocation of payments to Settlement Class Members, that could
24 ultimately be given final approval by this Court. It appears to the Court on a preliminary basis
25 that the settlement is fair, adequate, and reasonable as to all potential Class Members when
26 balanced against the probable outcome of further litigation relating to liability and damages
27 issues. It also appears that extensive and costly investigation, research, and court proceedings
28 have been conducted so that counsel for the settling parties are able to reasonably evaluate their

1 respective positions. It appears to the Court that settlement at this time will avoid substantial
2 additional costs by all settling parties, as well as avoid the delay and risks that would be
3 presented by the further prosecution of the Action. It also appears that settlement has been
4 reached as a result of intensive, serious, and non-collusive arm's-length negotiations.

5 11. The Final Approval Hearing shall be held before this Court on _____
6 at _____ a.m. in Department CX101 of the Superior Court of the State of California, County of
7 Orange to determine all necessary matters concerning the Settlement Agreement, including
8 whether the proposed settlement of the action on the terms and conditions provided for in the
9 Settlement Agreement is fair, adequate, and reasonable and should be finally approved by the
10 Court and whether a Judgment, as provided in the Settlement Agreement, should be entered
11 herein. At this same time, a hearing on Class Counsel's motion for attorneys' fees and
12 reimbursement of litigation costs and the Class Representative's enhancement payment shall also
13 be held.

14 12. The Court hereby approves, as to form and content, the Notice of Settlement
15 ("Class Notice") to be sent to Class Members, which is attached as Exhibit 1 to the Settlement
16 Agreement. The Court finds that distribution of the Class Notice to Class Members substantially
17 in the manner and form set forth in the Settlement Agreement and this Order meets the
18 requirements of due process and shall constitute due and sufficient notice to all parties entitled
19 thereto.

20 13. The Court appoints and designates Phoenix Settlement Administrators as the
21 Settlement Administrator. The Court hereby directs the Settlement Administrator to provide the
22 approved Class Notice to Class Members pursuant to the procedures set forth in the Settlement
23 Agreement.

24 14. Any Class Member may choose to opt out of and be excluded from the settlement
25 as provided in the Settlement Agreement and Class Notice by following the instructions for
26 requesting exclusion. Any person who timely and properly opts out of the settlement will not be
27 bound by the Settlement Agreement or have any right to object, appeal, or comment thereon.
28 Any Request for Exclusion must be in writing and signed by each such Class Member opting-out

1 and must otherwise comply with the requirements delineated in the Class Notice. Class Members
2 who have not requested exclusion by submitting a valid and timely exclusion request, by the
3 Response Deadline, shall be bound by all determinations of the Court, the Settlement Agreement,
4 and Judgment. The Request for Exclusion, however, shall not exclude any PAGA Recipient from
5 the Released PAGA Claims.

6 15. Each Class Member who wishes to object to the settlement shall have forty-five
7 (45) calendar days from the mailing of the Class Notice, or such number of days as the Court
8 shall specify, within which to postmark a written objection to the settlement for return to the
9 Settlement Administrator. The Objection should provide the name of the Class Member, all facts
10 and reasons why the Class Member is objecting to the settlement along with any legal authority,
11 and signed by the Class Member. Nonetheless, any Class Member who does not submit a written
12 objection may still appear at the Final Approval Hearing to offer any oral objections to the
13 Settlement.

14 16. The Motion for Final Approval shall be filed by the Class Representatives no later
15 than sixteen (16) court days before the Final Approval Hearing and served in compliance with
16 CCP notice of motion requirements.

17 17. In the event that the Effective Date occurs, all Settlement Class Members and the
18 Class Representatives will be deemed to have forever released and discharged the Released
19 Parties from the Released Claims. Also, PAGA Group Members and the Class Representative
20 will be deemed to have released and discharged the Released PAGA Claims.

21 18. Plaintiffs are ordered to give notice of the Order to the LWDA and to Defendant.

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1 19. The Court reserves the right to adjourn or continue the date of the Final Approval
2 Hearing and all dates provided for in the Settlement Agreement without further notice to the
3 Class and retains jurisdiction to consider all further applications arising out of or connected with
4 the Settlement Agreement.

5 IT IS SO ORDERED.

6
7 DATED: _____

8 HON. PETER J. WILSON
9 SUPERIOR COURT OF CALIFORNIA
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EXHIBIT 3

Zack Broslavsky (State Bar No. 241736)
Jonathan A. Weinman (State Bar No. 256553)
BROSLAVSKY & WEINMAN, LLP
1500 Rosecrans Ave., Suite 500
Manhattan Beach, CA 90266
Phone: (310) 575-2550
Fax: (310) 464-3550

Dennis S. Hyun (State Bar No. 224240)
HYUN LEGAL, APC
515 S. Figueroa St., Suite 1250
Los Angeles, California 90071
(213) 488-6555
(213) 488-6554 facsimile

Attorneys for Plaintiffs and the Class

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

RAEIGN VELASQUEZ, MIKAYLA ASEVO
and ERIC RIVAS on behalf of themselves and
on behalf of all persons similarly situated

Plaintiffs,

v.

TEAM BLAZE, a California Corporation;
GHOLAMREZA MEDALI, an individual; and
DOES 1 to 100, inclusive,

Defendants.

Case No. 30-2021-01187932-CU-OE-CXC

[Assigned for all purposes to the Hon. Peter J.
Wilson, Dept. CX101]

**[PROPOSED] ORDER GRANTING FINAL
APPROVAL OF CLASS AND
REPRESENTATIVE ACTION
SETTLEMENT; JUDGMENT**

Date: _____
Time: _____
Dept.: CX101

Complaint Filed: March 9, 2021
Trial Date: Not set

1
2 Plaintiffs Raign Velasquez, Mikayla Asevo, and Eric Rivas (collectively, “Plaintiffs”)
3 and Defendants Team Blaze and Gholamreza Medali (“Defendants”) have entered into Class and
4 Representative Action Settlement Agreement (“Settlement Agreement”) to settle the above-
5 captioned class action subject to the Court’s approval (the “Settlement”).

6 This matter is now before the Court on Plaintiffs’ Motion for Final Approval of Class and
7 Representative Action Settlement, including approval of an Enhancement Award for the Class
8 Representative and Class Counsel’s application for attorneys’ fees and costs. The Court has read,
9 heard, and considered all the pleadings and documents submitted, and the presentations made in
10 connection with the Motion which came on for hearing on ____.

11 **I. BACKGROUND**

12 On March 9, 2021, Plaintiffs filed a class and representative action Complaint in the
13 Superior Court for the County of Orange, California, alleging eight (8) separate causes of action
14 for various wage and hour violations. In their Complaint, Plaintiffs’ claims include: (1) failure to
15 pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide accurate itemized
16 wage statements; (4) failure to provide rest breaks; (5) failure to provide meal breaks; (6) failure
17 to pay all wages at the end of employment; (7) violation of California Business & Professions
18 Code; and (8); civil penalties under the PAGA. Specifically, Plaintiffs alleged that Defendants
19 failed to pay all regular, minimum, and overtime wages owed at the time due and upon
20 separation of employment, failed to provide off-duty meal and rest breaks, failed to provide
21 accurate itemized wage statements, and engaged in unfair business practices.

22 **A. Class Members**

23 The “Class” is defined as “non-exempt hourly employees who were employed by
24 Defendants” during the Class Period.

25 **B. Operation of the Settlement**

26 Pursuant to the Preliminary Approval Order dated ___, 2023, this Court conditionally
27 certified the Class and granted preliminary approval to the Settlement. The Preliminary Approval
28 Order also approved of the proposed form of notice and notice plan. The Court entered the

1 Preliminary Approval Order after review and consideration of all of the pleadings filed in
2 connection herewith, and the oral presentations made by counsel at the hearing.

3 In compliance with the Preliminary Approval Order, the Class Notice was sent to all
4 Class Members via first class mail. The notice process was timely completed.

5 This Court finds that the Settlement appears to be the product of serious, informed, non-
6 collusive negotiations, has no obvious deficiencies, and does not improperly grant preferential
7 treatment to any individuals. The Court finds that the Settlement was entered into in good faith
8 pursuant to California Code of Civil Procedure § 877.6. The Court further finds that the
9 Settlement is fair, reasonable, and adequate and that Plaintiff has satisfied the standards for final
10 approval of a class action settlement under California law. Under the provisions of California
11 Code of Civil Procedure § 382 and Federal Rule of Civil Procedure 23, as approved for use by
12 the California state court in *Vasquez v. Superior Court*, 4 Cal. 3d 800, 821 (1971), the trial court
13 has discretion to certify a class where:

14 [Q]uestions of law or fact common to the members of the class
15 predominate over any questions affecting only individual
16 members, and that a class action is superior to the available
17 methods for the fair and efficient adjudication of the
controversy...Fed. R. Civ. Proc. 23.

18 Certification of a settlement class is the appropriate judicial device under these
19 circumstances.

20 Based on the foregoing, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED AS
21 FOLLOWS:

22 1. The Court, for purposes of this Order, adopts all defined terms as set forth in the
23 Settlement Agreement filed in this case.

24 2. The Court has jurisdiction over the subject matter of the litigation, the Class
25 Representative, Settlement Class Members, and Defendants.

26 3. The Court finds that the dissemination of the Notice of Proposed Class Action
27 Settlement as disseminated to the Class Members, constituted the best notice practicable under
28 the circumstances to all Persons within the definition of the Class, and fully met the requirements

1 of California law and due process under the United States Constitution.

2 4. The Court approves the settlement of the above-captioned action, as set forth in
3 the Settlement Agreement, as fair, just, reasonable, and adequate as to the Settling Parties. The
4 Settling Parties are directed to perform in accordance with the terms set forth in the Settlement
5 Agreement.

6 5. Except as otherwise provided in the Settlement Agreement, the Settling Parties
7 are to bear their own costs and attorneys' fees.

8 6. The Court hereby certifies the following Class for settlement purposes only: all
9 persons who are employed or have been employed by Defendants in the State of California as a
10 non-exempt employee during the Class Period.

11 7. With respect to the Class and for purposes of approving the settlement only and
12 for no other purpose, this Court finds and concludes that: (a) the members of the Class are
13 ascertainable and so numerous that joinder of all members is impracticable; (b) there are
14 questions of law or fact common to the Class, and there is a well-defined community of interest
15 among Members of the Class with respect to the subject matter of the claims in the Litigation; (c)
16 the claims of Class Representatives are typical of the claims of the members of the Class; (d) the
17 Class Representatives have fairly and adequately protected the interests of the members of the
18 Class; (e) a class action is superior to other available methods for an efficient adjudication of this
19 controversy; and (f) the counsel of record for the Class Representatives, *i.e.*, Class Counsel, are
20 qualified to serve as counsel for the Plaintiffs in their individual and representative capacity and
21 for the Class.

22 8. Defendants shall fund \$600,000.00 of the Gross Settlement Amount, pursuant to
23 the terms of the Settlement Agreement.

24 9. The Court approves the Individual Class Payments and Individual PAGA
25 Payments, which shall be distributed pursuant to the terms of the Settlement Agreement.

26 10. Defendants shall deposit the Maximum Settlement Amount, plus all employer
27 taxes due under on wage payments to be made under this Settlement Agreement, with the
28 Settlement Administrator in six (6) installments as follows:

- a. Installment 1: One Hundred and Fifty Thousand Dollars and Zero Cents (\$150,000) within thirty (30) calendar days of the Court granting Final Approval;
- b. Installment 2: One Hundred and Fifty Thousand Dollars and Zero Cents (\$150,000) within one hundred eighty (180) calendar days of the Court granting Final Approval;
- c. Installment 3: Seventy Five Thousand Dollars and Zero Cents (\$75,000) within three hundred sixty (360) calendar days of the Court granting Final Approval;
- d. Installment 4: Seventy Five Thousand Dollars and Zero Cents (\$75,000) within five hundred forty (540) calendar days of the Court granting Final Approval;
- e. Installment 5: Seventy Five Thousand Dollars and Zero Cents (\$75,000) within seven hundred twenty (720) calendar days of the Court granting Final Approval;
- f. Installment 6: Seventy Five Thousand Dollars and Zero Cents (\$75,000) within nine hundred (900) calendar days of the Court granting Final Approval.

11. Using the funds provided by Defendants, the Settlement Administrator shall pay (a) to Class Counsel attorneys' fees in the amount of \$200,000.00 and reimbursement of costs in the amount of \$[REDACTED]; (b) an enhancement award to the Class Representatives Raegn Velasquez, Mikayla Asevo, and Eric Rivas to reimburse them for their unique services in the following amount: \$7,500.00 each; (c) the sum of \$60,000.00 to be paid to the California Labor & Workforce Development Agency for PAGA penalties; and (d) \$27,750.00 to the Settlement Administrator, Phoenix Settlement Administrators, for its fees and costs relating to the settlement administration process. The Court finds that these amounts are fair and reasonable. Defendants are directed to make such payments in accordance with the terms and distribution plan as set forth in the Settlement Agreement.

12. The court sets a Final Report Hearing for _____, at 10:00 a.m., to confirm that distribution efforts are fully completed, including the distribution of uncashed class member checks to California State Controller after 180 days, that the Settlement Administrator's work is complete, and that the court's file thus may be closed. The Parties must report to the court the total amount that was actually paid to the Class Members and submit an Amended Judgment that complies with Code of Civil Procedure §§ 384(b) and 384.5, and Government

1 Code § 68520. Specifically, the Amended Judgment must state how much money is being paid to
2 the nonparty, including any interest that accrued on the funds, and, if known, the purpose of the
3 distribution to the nonparty and how it plans to expend the funds.

4 13. Class Members will be provided with notice of the instant Judgment via an insert
5 included with the settlement check stating: “The Court has granted final approval of the
6 settlement in the matter of *Stephenson v. Healthcare Services, Inc.*, Orange County Superior
7 Court Case No. 30-2019-01078609-CU-OE-CXC. You previously received notice that you are a
8 Class Member in this matter and were given the opportunity to opt-out. As you did not choose to
9 opt-out, enclosed please find your share of the settlement.”

10 The Court hereby enters final judgment in this case in accordance with the terms of the
11 Settlement, Preliminary Approval Order, and this Order. Without affecting the finality of the
12 Settlement or Judgment entered, this Court shall retain exclusive and continuing jurisdiction over
13 the action and the Parties, including all Settlement Class Members, for purposes of enforcing and
14 interpreting this Order and the Settlement.

15 IT IS SO ORDERED.

16
17 DATED: _____

18 HON. PETER J. WILSON
19 SUPERIOR COURT OF CALIFORNIA
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