

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Letica Flores (“Plaintiff”) and defendants JR & MRP Enterprises, James Powell, Inc., James R. Powell, Inc., James Powell and Mary Powell (“Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means Plaintiff’s lawsuit alleging wage and hour violations against Defendants captioned *Flores v. JR & MRP, Inc., et al.*, Ventura County Superior Court Case No. 56-2021-00557205-CU-OE-VTA, filed on August 17, 2021.
- 1.2. “Administrator” means XPAND LEGAL CONSULTING, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount not to exceed \$14,000.00 which the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses for administering the settlement.
- 1.4. “Aggrieved Employee” means all persons employed by Defendants as non-exempt employees during the PAGA Period at Defendants’ McDonald’s restaurants located at 2605 Yosemite St., Simi Valley, CA, and 2375 Tapo St., Simi Valley, CA..
- 1.5. “Class” means all current and former non-exempt employees of Defendants, in the State of California, assigned to work at Defendants’ McDonald’s restaurants located at 2605 Yosemite St., Simi Valley, CA, and 2375 Tapo St., Simi Valley, CA, at any time during the Class period.
- 1.6. “Class Counsel” refers to Matern Law Group, PC, including Matthew J. Matern, Julia Z. Wells, and Sean P. Hardy.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in Defendants’ possession, including each Class Member’s name, last-known mailing address, Social Security number, number of Class Period Workweeks and number of PAGA Pay Periods.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).

- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11. “Class Notice” means the NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL to be mailed to Class Members in English and with a Spanish translation, in the form, without material variation, attached as Exhibit A, and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from August 17, 2017, through preliminary approval, subject to section 8.9, below.
- 1.13. “Class Representative” refers to the named Plaintiff, Letica Flores, in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15. “Court” means the Superior Court of California, County of Ventura.
- 1.16. “Defendants” refers to Defendants JR & MRP Enterprises, James Powell, Inc., James R. Powell, Inc., James Powell and Mary Powell.
- 1.17. “Defense Counsel” means Resnick & Louis, P.C., including Anthony Waddell, Esq.
- 1.18. “Effective Date” means the date when all of the following events have occurred: (1) the Settlement has been executed by all Parties, Class Counsel and Defendants’ Counsel; (2) the Court has preliminarily approved the Settlement; (3) the Notice of Class Action Settlement has been given to the putative class members; (4) the Court has held a formal fairness hearing and entered a final Order and Judgment certifying the Settlement Class, dismissing the Action with prejudice, and approving the Settlement; (5) 65 calendar days have passed since the Court has entered a final Order and Judgment certifying the Settlement Class, dismissing the Action with prejudice, and approving the Settlement; (6) in the event that there are written objections made prior to the final fairness hearing which are not later withdrawn or denied, the later of the following events: five business days after the period for filing any appeal, writ or other appellate proceeding opposing the Court’s final Order approving the Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; or, if any appeal, writ or other appellate proceeding opposing the Court’s final Order approving the Settlement has been filed, five business days after any such appeal, writ or other appellate

proceeding has been finally and conclusively dismissed with no right to pursue further remedies or relief.

- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Judgment” means the Judgment to be entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. “Gross Settlement Amount” means \$675,000.00 which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraphs 3.1 and 8.9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, the Class Representative Service Payment and the Administrator’s Expenses.
- 1.23. “Individual Class Payment” means a Participating Class Member’s *pro rata* share of the Net Settlement Amount, calculated based upon his or her respective number of Workweeks worked during the Class Period.
- 1.24. “Individual PAGA Payment” means an Aggrieved Employee’s *pro rata* share of 25% of the PAGA Penalties, which shall be calculated according to each individual’s respective number of Pay Periods worked during the PAGA Period.
- 1.25. “LWDA” means the California Labor and Workforce Development Agency as identified in Labor Code section 2699, subd. (i).
- 1.26. “LWDA PAGA Payment” means the 75% portion of the total amount allocated towards PAGA Penalties (i.e., \$15,000, or 75% of \$20,000), which shall be paid to the LWDA pursuant to Labor Code section 2699, subd. (i).
- 1.27. “Net Settlement Amount” means the Gross Settlement Amount less the following payments in the amounts subject to approval by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment.
- 1.28. “Non-Participating Class Member” means any Class Member who opts out of the Settlement of class claims by sending the Administrator a valid and timely written Request for Exclusion.
- 1.29. “PAGA Pay Period” means any Pay Period during the PAGA Period in which an Aggrieved Employee worked for Defendants for at least one day.

- 1.30. "PAGA Period" means the period from June 13, 2020 through the end of the Class Period.
- 1.31. "PAGA" means the California Private Attorneys General Act of 2004 (Labor Code §§ 2698. et seq.).
- 1.32. "PAGA Notice" refers to Plaintiff's April 12, 2021 letter, directed to Defendants and the LWDA, providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.33. "PAGA Penalties" means the amount of Twenty Thousand Dollars (\$20,000) that shall be paid from the Gross Settlement Amount for the resolution of the PAGA claim. The PAGA Penalties shall be allocated as follows: 25% (\$5,000) shall be distributed amongst the Aggrieved Employees as their Individual PAGA Payments, and the remaining 75% (i.e., \$15,000) shall be paid to the LWDA.
- 1.34. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement to the Administrator.
- 1.35. "Plaintiff" means Leticia Flores, the named plaintiff in the Action.
- 1.36. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.
- 1.37. "Preliminary Approval Order" means the Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.38. "Released Class Claims" means the claims being released as described in Paragraph 6.2 below.
- 1.39. "Released PAGA Claims" means the claims being released as described in Paragraph 6.2 below.
- 1.40. "Released Parties" means: Defendants and each of their present and former parent companies, officers, directors, and agents.
- 1.41. "Request for Exclusion" means a Class Member's written request to be excluded from the Class Settlement, signed by the Class Member.
- 1.42. "Response Deadline" means the date that is 45 days after the Administrator mails Notice to Class Members, and shall be the last date on which Class Members may mail Requests for Exclusion from the Settlement, or objections to the Settlement, to the Administrator. Class Members to whom Notices are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.43. "Settlement" means the disposition of the Action effected by this Agreement and

the Judgment.

- 1.44. “Workweek” means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On August 17, 2021, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendants for (1) failure to provide required meal periods, (2) failure to provide required rest periods, (3) failure to pay overtime wages, (4) failure to pay minimum wages, (5) failure to pay all wages due to discharged and quitting employees, (6) failure to maintain required records, (7) failure to furnish accurate itemized wage statements, (8) failure to indemnify employees for necessary expenditures incurred in discharge of duties, (9) unfair and unlawful business practices, and (10) penalties under the PAGA. The Complaint is the operative complaint in the Action. Defendants deny the allegations in the Complaint, denies any failure to comply with the laws identified in the Complaint and denies any and all liability for the causes of action alleged.
- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.

On February 23, 2023, the Parties participated in an all-day mediation presided over by David Phillips, Esq., which ultimately led to this Agreement to settle the Action.

- 2.3. Prior to mediation, Plaintiff obtained informal discovery from Defendants, including records reflecting employee time and pay data and documents reflecting Defendants’ relevant policies and procedures. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).
- 2.4. The Court has not granted class certification.
- 2.5. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8.9 below, Defendants promises to pay the total sum of \$675,000 as the Gross Settlement Amount, and to separately pay any applicable employer payroll taxes owed on the portions of the Individual Class Payments which are allocated as wages. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, subject to Final Approval by the Court:

3.2.1. To Plaintiff: A Class Representative Service Payment to Plaintiff of not more than Ten Thousand Dollars \$10,000. The Class Representative Service Payment shall be paid to Plaintiff in addition to any Individual Class Payment and/or Individual PAGA Payment that the Class Representative is entitled to receive as a Participating Class Member and/or Aggrieved Employee. Defendants will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the Motion for Final Approval Plaintiff will seek Court approval for any Class Representative Service Payment. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment in an amount not to exceed one third of the total Gross Settlement Amount (subject to section 8.9, below), plus a Class Counsel Litigation Expenses Payment in an amount of up to \$17,000.00. Defendants will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will seek approval of these amounts in connection with the Final Approval motion. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment in an amount which shall not exceed \$14,000.00, except upon a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$14,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated on a pro rata basis by: (a) dividing the Net Settlement Amount (less any amount allocated towards the resolution of PAGA Penalties) by the total number of Workweeks worked by all Participating Class Members during the Class Period and

(b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion(s)"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The Remaining 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for [e.g., interest and penalties] (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. Any amounts equal to the Individual Class Payments to which Non-Participating Class Members may have otherwise been entitled shall remain in the Net Settlement Amount for distribution to Participating Class Members on a *pro rata* basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$20,000 to be paid from the Gross Settlement Amount, with 75% (\$15,000) to be paid to the LWDA, and the remaining 25% (\$5,000) to be distributed amongst the Aggrieved Employees as their Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment on a *pro rata* basis based on each Aggrieved Employee's respective number of PAGA Pay Periods during the PAGA Period, by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$5,000) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period; and (b) multiplying the resulting number by each Aggrieved Employee's respective number of PAGA Pay Periods in order to yield his or her Individual PAGA Payment Amount. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on information provided by Defendants, Defendants estimate that there are 708 Class Members who collectively worked a total of 35,575 Workweeks during the Class Period, and 373 Aggrieved Employees who collectively worked a total of 7,545 PAGA Pay Periods during the PAGA Period.

- 4.2. Class Data. Not later than 7 calendar days after the Court grants Preliminary Approval of the Settlement, Defendants will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. The Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible.
- 4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes, by transmitting the funds to the Administrator no later than 14 days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within 10 calendar days after Defendants fund the Gross Settlement Amount, the Administrator will distribute the payments for the Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment.
- 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks that remain uncashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and any Individual PAGA Payment to which he or she may be entitled. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 calendar days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member to whom the check was issued, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

6. **RELEASES OF CLAIMS.** Effective on the date when Defendants has fully funded the entire Gross Settlement Amount and fund all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, the Class Members, and Class Counsel will release claims against all Released Parties as follows:

6.1 Plaintiff's Release. Plaintiff and her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

6.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

6.2 Release by Participating Class Members Who Are Not Aggrieved Employees:

Upon the date that Defendants have fully funded the Gross Settlement Amount, 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 all claims under state or local law, whether statutory, common law or administrative law, arising out of the allegations set forth in the operative Complaint or the PAGA Notice to the LWDA in the Action during the Class Period, including but not limited to: claims for minimum wage violations; failure to pay overtime wages; unreimbursed expenses; rest period violations; meal period violations; failure to keep proper records; itemized wage statement violations; waiting time penalties; unfair competition; declaratory relief; and claims for violation of the California Private Attorneys General Act Participating Class Members do not release any other claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

6.3 Release by Non-Participating Class Members Who Are Aggrieved Employees:

Upon the date that Defendants have fully funded the Gross Settlement Amount, All Non-Participating Class Members who are Aggrieved Employees will be 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 PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, including but not limited to, claims for violation of the California Private Attorneys arising from Plaintiff's claims for minimum wage violations; failure to pay overtime wages; unreimbursed expenses; rest period violations; meal period violations; failure to keep proper records; itemized wage statement violations; and waiting time penalties.

7. **MOTION FOR PRELIMINARY APPROVAL.** Plaintiff shall prepare and file a motion for preliminary approval ("Motion for Preliminary Approval.")

8. **SETTLEMENT ADMINISTRATION.**

8.1 Selection of Administrator. The Parties have jointly selected XPAND LEGAL CONSULTING to serve as the Administrator and verified that, as a condition of appointment, XPAND LEGAL CONSULTING agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. All Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

8.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury

Regulation section 468B-1.

8.4 Notice to Class Members.

8.4.1 No later than three (3) business days after receipt of the Class Data from Defendants, the Administrator shall notify Class Counsel that the list has been received and confirm the total number of Class Members, PAGA Members, Workweeks, and Pay Periods included in the Class Data.

8.4.2 Using best efforts to perform as soon as possible, and in no event later than 10 calendar days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice with Spanish translation, substantially in the form attached to this Agreement as Exhibit A. The Class Notice shall estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

8.4.3 Not later than 3 business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

8.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

8.4.5 If the Administrator, Defendants or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

8.5 Requests for Exclusion (Opt-Outs).

- 8.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (the “Response Deadline”) (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member’s election to be excluded from the Settlement and includes the Class Member’s name, address and email address or telephone number and the signature of the Class Member or his or her legal representative. To be valid, a Request for Exclusion must be timely mailed and postmarked to the Administrator by the Response Deadline.
- 8.5.2 The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member’s desire to be excluded. The Administrator’s determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member’s identity. The Administrator’s determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 8.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the applicable Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.4 of this Agreement and will remain eligible to receive an Individual PAGA Payment.
- 8.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member as stated in his or her Class Notice. The Class Member may challenge the allocation by mailing the Administrator a written dispute which contains the Class Member’s name, phone number, address, and the correct dates he or she claims to have worked for Defendants, along with any supporting documentation supporting the Class Member’s position. The Administrator must encourage the challenging Class Member to submit supporting

documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

8.7 Objections to Settlement.

8.7.1 Only Participating Class Members may object to the class action components of the Settlement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

8.7.2 Participating Class Members may send written objections to the Administrator by mail at the address listed in the Notice Packet. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed). Any such objection should contain the Class Member's name, phone number, and address; the Class Member's signature or the signature of his or her legal representative; and a clear and concise statement regarding the reason(s) for the Class Member's objection.

8.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

8.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8.8.1 Website and Toll-Free Number. The Administrator will post documents and information of interest to Class Members on the Administrator's website. The Administrator will also maintain and monitor a toll-free telephone number to receive Class Member calls.

8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review, on a rolling basis, Requests for Exclusion to ascertain their validity. Upon request, the Administrator shall also promptly e-mail to Class Counsel and Defense Counsel (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion

(“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

8.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”).

8.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

8.8.5 Administrator’s Declaration. Within two weeks of the Response Deadline, the Administrator shall provide Class Counsel and Defendants’ Counsel a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received, and the number of written objections and/or Workweek disputes. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

8.8.6 Final Distribution Report by Settlement Administrator. Within 10 calendar days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements (by employee identification number only) of all payments made under this Agreement. At least 28 calendar days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8.9 **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE:** The Settlement is based on Defendants’ representation that the Class covers 35,575 Total Workweeks. If the number of Total Workweeks at the time of preliminary approval is larger by 5% than this amount (i.e., if the Total Workweeks are greater than 37,354 workweeks), Defendants may elect one of two options: 1) to end the time periods for the Class Period/PAGA Period on the date on which the Total Workweeks reach the amount of

35,575 workweeks; or (2) to increase the Gross Settlement Amount proportionately based on the per workweek value as determined by the Administrator. (For example, if the workweeks are 10% larger than 35,575 workweeks, Defendants shall have the option to increase the Gross Settlement Amount by 5%, based on the workweek value determined by the Administrator.)

9. **DEFENDANTS' RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendants may, but are not obligated, elect to withdraw from the Settlement, by providing written notice to Class Counsel within thirty (30) days of the Response Deadline. The Parties agree that, if Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point.
10. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (1) and a Proposed Final Approval Order and Judgment ("Motion for Final Approval").
 - 10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
 - 10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph, provided, however, that Plaintiff and Class Counsel expressly retain, and do not waive, all appellate rights with respect to such amounts.
 - 10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
 - 10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Award as reflected set forth in this Settlement, the Parties, their respective

counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

12. **ADDITIONAL PROVISIONS.**

12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they will not disclose, disseminate and/or publicize, or

cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency.

Each Party agrees to notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or with words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand,

action, cause of action, or right released and discharged by the Party in this Settlement.

- 12.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived by an express written instrument signed by counsel for all Parties, and approved by the Court.
- 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14 Limited Use of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court.
- 12.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.16 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff: Matern Law Group, PC
Matthew J. Matern
mmatern@maternlawgroup.com
Julia Z. Wells
jwells@maternlawgroup.com
Sean P. Hardy
shardy@maternlawgroup.com
1230 Rosecrans Avenue, Suite 200
Manhattan Beach, California 90266

To Defendants: Resnick & Louis, P.C.
Anthony Waddell
awaddell@rlattorneys.com
800 N. Haven Ave., Ste. 430
Ontario, California 91764-4955

12.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

Stay of Litigation. The Parties agree that upon the date of the acceptance of the mediator's proposal (February 23, 2023), the litigation in this Action shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that pursuant to Code Civ. Proc. ("CCP") section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process, from February 23, 2023 to the date of an order granting Final Approval of the Settlement.

DATED: Feb 1, 2024, 2024

By 
Leticia Flores (Feb 1, 2024 14:29 PST)
Plaintiff Leticia Flores

DATED: _____, 2024

By _____
on behalf of Defendant JR & MRP Enterprises

To Plaintiff: Matern Law Group, PC
Matthew J. Matern
mmatern@maternlawgroup.com
Julia Z. Wells
jwells@maternlawgroup.com
Sean P. Hardy
shardy@maternlawgroup.com
1230 Rosecrans Avenue, Suite 200
Manhattan Beach, California 90266

To Defendants: Resnick & Louis, P.C.
Anthony Waddell
awaddell@rlattorneys.com
800 N. Haven Ave., Ste. 430
Ontario, California 91764-4955

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DATED: _____, 2024

By

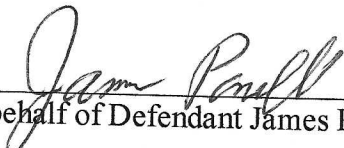
Plaintiff Leticia Flores

DATED: 3/20, 2024

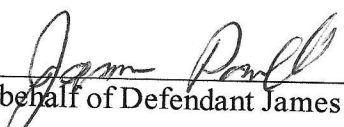
By

James Padellaro
on behalf of Defendant JR & MRP Enterprises

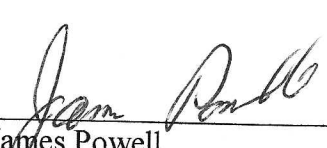
DATED: 3/20, 2024

By 
on behalf of Defendant James Powell, Inc.

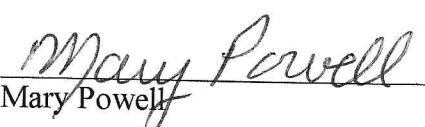
DATED: 3/20, 2024

By 
on behalf of Defendant James R. Powell, Inc.

DATED: 3/20, 2024

By 
James Powell

DATED: 03/20/2024

By 
Mary Powell

DATED: 3/20, 2024

By _____
Matern Law Group, PC
Matthew J. Matern
Julia Z. Wells
Sean P. Hardy
Attorney for Plaintiff

DATED: April 11, 2024

By 
Resnick & Louis, P.C.
Anthony Waddell
Attorney for Defendants

DATED: _____, 2024

By _____
on behalf of Defendant James Powell, Inc.

DATED: _____, 2024

By _____
on behalf of Defendant James R. Powell, Inc.

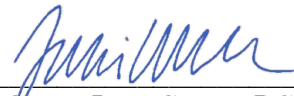
DATED: _____, 2024

By _____
James Powell

DATED: _____, 2024

By _____
Mary Powell

DATED: February 2, 2024

By 

Matern Law Group, PC
Matthew J. Matern
Julia Z. Wells
Sean P. Hardy
Attorney for Plaintiff

DATED: _____, 2024

By _____
Resnick & Louis, P.C.
Anthony Waddell
Attorney for Defendants