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Attorneys for Plaintiff JACKSON CHOU,
 aka JACKSON CHOM,
 on behalf of himself, the Labor Workforce
 Development Agency, and
 similarly situated aggrieved
 current and former employees

SUPERIOR COURT OF THE STATE OF CALIFORNIA
 COUNTY OF SAN FRANCISCO – UNLIMITED JURISDICTION

JACKSON CHOU, aka JACKSON
 CHOM, on behalf of himself and on behalf
 of all persons similarly situated, and on
 behalf of himself, the Labor Workforce
 Development Agency, and similarly
 situated aggrieved current and former
 employees

Plaintiff

vs.

THE DING DOCTOR, INC., doing
 business as DANNY’S DEALER
 SOLUTIONS and DANNY’S DETAIL;
 DANIEL MICHAEL CHAVES; GARY
 MICHAEL CHAVES; and DOES 1
 through 20 inclusive

Defendants

Case Number: CGC-22-597414

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

Complaint Filed: January 3, 2022

ASSIGNED FOR ALL PURPOSES TO THE
 HONORABLE ETHAN P. SCHULMAN –
 DEPARTMENT 304

1 This Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims is
2 entered into by and between Plaintiff Jackson Chou (hereinafter "Plaintiff"), an individual, on behalf
3 of himself, and on behalf of all persons similarly situated, and in his representative capacity on behalf
4 of the State of California and the Aggrieved Employees, and Defendant The Ding Doctor, Inc., a
5 California corporation, doing business as Danny's Dealer Solutions and Danny's Detail
6 ("Defendant"):

7 **I. DEFINITIONS**

- 8 A. "Action" shall mean the putative class and representative action lawsuit designated
9 *Jackson Chou v. The Ding Doctor, Inc., et al.*, San Francisco County Superior Court,
10 Case No. CGC-22-597414, filed on or about January 3, 2022.
- 11 B. "Agreement" or "Settlement Agreement" means this Stipulation of Settlement of
12 Class and PAGA Action Claims and Release of Claims.
- 13 C. "Aggrieved Employees" means all persons within the State of California who are or
14 were employed by Defendant as non-exempt employees, or exempt employees
15 working as location managers, regional managers, area managers, and on-site
16 supervisors during the Class Period.
- 17 D. "Aggrieved Employee Payment" shall mean the twenty-five percent (25%) of the
18 PAGA Payment (\$40,000.00) that will be distributed to the Aggrieved Employees as
19 described in this Agreement.
- 20 E. "Class" or the "Class Members" means all persons within the State of California who
21 are or were employed by Defendant as non-exempt employees, or exempt employees
22 working as location managers, regional managers, area managers, and on-site
23 supervisors during the Class Period.
- 24 F. "Class Counsel" means Patrick R. Co of The Co Law Firm, , and G. Martin Velez of
25 Law Office of G. Martin Velez.
- 26 G. "Class Counsel Award" means the award of fees and expenses that the Court
27 authorizes to be paid to Class Counsel for the services they have rendered to Plaintiff,
28 the Class Members and the Aggrieved Employees in the Action, consisting of

attorneys' fees currently not to exceed one-third of the Gross Settlement Amount currently estimated to be \$216,645.00 out of \$650,000.00 plus costs of up to \$500.00. Class Counsel shall be responsible for division of the Class Counsel Award included in the Gross Settlement amongst themselves.

H. "Class Data" means information regarding Class Members that Defendant will in good faith compile from its records and provide to the Settlement Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall include: each Class Member's full name; last known address; e-mails, Social Security Number; start dates and end dates of employment and/or number of Pay Periods worked during the Class Period.

I. "Class Period" means the period beginning October 25, 2020, to January 31, 2025.

J. "Class Representative" shall mean plaintiff Jackson Chou.

K. "Court" means the Superior Court for the State of California, County of San Francisco currently presiding over the Action.

L. "Defendant" shall mean The Ding Doctor, Inc.

M. "Effective Date" means the first date upon which all of the following events have occurred:

1. this Agreement has been executed by all Parties and by Class Counsel and Defense Counsel;
2. the Court has preliminarily approved the Settlement;
3. notice has been properly given to Class Members, providing them an opportunity to opt out of the Class and Settlement as described in this Agreement;
4. the Court has held a Final Fairness and Approval Hearing and entered the Final Order and Judgment approving the Settlement; and,
5. the later of: (a) the date sixty (60) days after the entry of the Final Order and Judgment, if no motions for reconsideration and no appeals or other efforts to obtain review have been filed; or (b) in the event that a motion for

1 reconsideration, an appeal or other effort to obtain review of the Final Order
2 and Judgment, the date sixty (60) days after such reconsideration, appeal or
3 review has been finally concluded. In this regard, it is the intention of the
4 Parties that the Effective Date of Settlement shall not be a date before the
5 Court's order approving the Settlement has become completely final, and
6 there is no timely recourse by any person who seeks to object to or otherwise
7 contest the Settlement.

8 N. "First Amended Complaint" or "FAC" means the first amended complaint entitled
9 *Jackson Chou v. The Ding Doctor, Inc., et al.*, San Francisco County Superior Court,
10 Case No. CGC-22-597414, filed on or about February 28, 2022.

11 O. "Funding Date" shall mean the date by which Defendant has paid the entire Gross
12 Settlement Amount to the Settlement Administrator in accordance with the terms of
13 this Agreement. Defendant will pay the Gross Settlement Amount in up to two
14 installments. The "First Installment" in the amount of Five Hundred Thousand
15 Dollars (\$500,000.00) shall be paid the later of April 23, 2025, or within twenty-one
16 (21) calendar days after the Parties approve the Settlement Administrator's final
17 calculations of the Settlement payments and Defendant's employer side payroll taxes,
18 which the Settlement Administrator shall provide within fourteen (14) calendar days
19 of notice of entry of the Court's order granting final approval, or if an objection to the
20 settlement is made but no appeal is filed, then Defendant shall pay the Gross
21 Settlement Amount to the Settlement Administrator within twenty-one (21) days of
22 the expiration of the appeal period. The "Second Installment" in the amount of One
23 Hundred Fifty Thousand Dollars (\$150,000.00), plus the employer side payroll taxes,
24 shall be paid the later of July 23, 2025, or within twenty-one (21) calendar days after
25 the Parties approve the Settlement Administrator's final calculations of the Settlement
26 payments and Defendant's employer side payroll taxes, or if an objection to the
27 settlement is made but no appeal is filed, then Defendant shall pay the Gross
28 Settlement Amount to the Settlement Administrator within twenty-one (21) days of

1 the expiration of the appeal period. Neither party shall unreasonably withhold their
2 approval of the Settlement Administrator's final calculation of the Settlement
3 payments and Defendant's employer side payroll taxes. If an appeal is filed,
4 Defendant shall pay the Gross Settlement Amount to the Settlement Administrator
5 within twenty-one (21) days of when the applicable appellate court has rendered a
6 final decision or opinion affirming the Court's final approval order and judgment
7 without material modification, and the applicable date for seeking further appellate
8 review has passed, or the date that any such appeal has been either dismissed or
9 withdrawn by the appellant.

10 P. "Gross Settlement Amount" means Six Hundred Fifty Thousand Dollars and Zero
11 Cents (\$650,000.00) that Defendant must pay into the Qualified Settlement Fund
12 (defined below) in connection with this Settlement, inclusive of the sum of Settlement
13 Administration Costs, Class Counsel Award, Service Award, and the PAGA
14 Payment. The Gross Settlement Amount is all-in with no reversion and *exclusive* of
15 the employer's share of payroll tax triggered by any payment under this Settlement.

16 Q. "Individual Settlement Payments" means the amount payable from the Net Settlement
17 Amount to each Settlement Class Member and excludes any amounts distributed to
18 Aggrieved Employees pursuant to PAGA.

19 R. "LWDA" shall mean the Labor and Workforce Development Agency.

20 S. "LWDA Payment" shall mean the seventy-five percent (75%) of the PAGA Payment
21 (\$30,000.00) payable to the to the LWDA.

22 T. "Net Settlement Amount" or "NSA" means the Gross Settlement Amount, less Class
23 Counsel Award, Service Award, PAGA Payment, and Settlement Administration
24 Costs.

25 U. "Notice Packet" means the Class Notice to be provided to the Class Members by the
26 Settlement Administrator in the form set forth as **Exhibit A** to this Agreement (other
27 than formatting changes to facilitate printing by the Settlement Administrator).

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- V. “Operative Complaint” shall mean the Second Amended Complaint entitled *Jackson Chou v. The Ding Doctor, Inc.*, et al., San Francisco County Superior Court, Case No. CGC-22-597414, which is to be filed concurrently with Plaintiff’s Preliminary Approval Motion for purposes of effectuating the Settlement.
- W. “PAGA” means the California Labor Code Private Attorneys General Act of 2004, Labor Code § 2698 *et seq.*
- X. “PAGA Payment Ratio” means the respective Pay Periods during the PAGA Period for each Aggrieved Employee divided by the total Pay Periods for all Aggrieved Employees during the PAGA Period.
- Y. “PAGA Pay Periods,” for purposes of calculating the distribution of the Aggrieved Employee Payment, as defined herein, means the number of pay periods of employment during the PAGA Period that each Aggrieved Employee worked in California.
- Z. “PAGA Period” means the period from October 25, 2020 to January 31, 2025.
- AA. “PAGA Payment” shall mean Forty Thousand Dollars and Zero Cents (\$40,000.00) to be allocated from the Gross Settlement Amount for settlement of PAGA Claims asserted in the Action.
- BB. “Parties” means Plaintiff and Defendant, collectively, and “Party” shall mean either Plaintiff or Defendant, individually.
- CC. “Payment Ratio” means the respective Pay Periods for each Class Member divided by the total Pay Periods for all Class Members.
- DD. “Plaintiff” shall mean Jackson Chou.
- EE. “Plaintiff’s Release” means all claims that were or could have been made by Plaintiff in his individual capacity against the Released Parties (as defined below), including a waiver of any and all provisions of California Civil Code section 1542, except only for claims by law cannot be waived by private agreement.
- FF. “Qualified Settlement Fund” or “QSF” means the fund established, designated, and maintained by the Settlement Administrator to fund the Gross Settlement Amount.

1 GG. "Released Class Claims" shall mean the release from the Settlement Class Members
2 of any and all claims relating to any and all facts and claims asserted in the Action or
3 any other claims, based on the facts alleged in the Operative Complaint, including but
4 not limited to any and all claims, violations, or damages relating to minimum wages,
5 overtime and double time wages; meal periods and rest breaks; failure to maintain
6 accurate employment records; wage statement violations; failure to timely pay wages;
7 separation pay violations; failure to reimburse business expenses; paid sick leave; and
8 unfair business practices; which arose during the Class Period, and any related claims
9 for attorneys' fees, costs, or interest resulting therefrom, and, expressly excluding
10 claims for vested benefits, wrongful termination, unemployment insurance, disability,
11 social security, workers' compensation, and class claims outside of the Class Period.

12 HH. "Released PAGA Claims" shall mean the release from the Aggrieved Employees of
13 any and all claims relating to any and all facts and claims asserted in the Action or
14 any other claims, under PAGA, based on the facts alleged in the Operative Complaint
15 and/or Plaintiff's PAGA notice to the LWDA (including any amended PAGA notice),
16 including but not limited to any and all claims for PAGA penalties for violations of
17 the California Labor Code governing: minimum wages, overtime and double time
18 wages; meal periods and rest breaks; failure to maintain accurate employment
19 records; wage statement violations; failure to timely pay wages; separation pay
20 violations; failure to reimburse business expenses; paid sick leave; unfair business
21 practices; and including violations arising from the following California Labor Code
22 sections: 201, 202, 203, 204, 226, 226.3, 226.7, 227, 227.3, 245.5, 246, 510, 512, 558,
23 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2800, and 2802, which arose
24 during the PAGA Period, and any related claims for attorneys' fees, costs, or interest
25 resulting therefrom.

26 II. "Released Parties" means Defendant The Ding Doctor, Inc., and all persons, agents,
27 servants, representatives, current and former officers (including, but not limited to,
28 named defendants Daniel Michael Chaves and Gary Michael Chaves), directors,

1 stockholders, employees, associations, joint ventures, corporations, parent
2 corporations, subsidiaries, affiliates, partners, members, predecessors and successors
3 in interest, insurers, re-insurers, assigns, all other legal entities with whom Defendant
4 has been, are now, or may hereafter be affiliated with, as well as any individual or
5 entity that could be alleged to be jointly liable with Defendant.

6 JJ. "Response Deadline" means the date forty-five (45) calendar days after the Settlement
7 Administrator mails Notice Packets to Class Members and the last date on which
8 Class Members may submit requests for exclusion or objections to the Settlement.
9 Neither side shall encourage any Class Member to opt out.

10 KK. "Service Award" means an award in the amount of \$10,000.00 or in an amount that
11 the Court authorizes to be paid to the Class Representative, in addition to his
12 Individual Settlement Payment and his individual Aggrieved Employee Payment, in
13 recognition of his efforts and risks in assisting with the prosecution of the Action.

14 LL. "Settlement" means the disposition of the Action pursuant to this Agreement.

15 MM. "Settlement Administration Costs" shall mean the amount paid to the Settlement
16 Administrator from the Gross Settlement Amount for administering the Settlement
17 pursuant to this Agreement estimated not to exceed Thirty Thousand Dollars and Zero
18 Cents (\$30,000.00). The parties agree to split (50/50) any and all Settlement
19 Administration Costs in excess of \$30,000 equally.

20 NN. "Settlement Administrator" means **Phoenix Class Action Administration**
21 **Solutions**. The Settlement Administrator establishes, designates, and maintains, as a
22 QSF under Internal Revenue Code section 468B and Treasury Regulation section
23 1.468B-1, into which the amount of the Gross Settlement Amount is deposited for the
24 purpose of resolving the claims of Settlement Class Members. The Settlement
25 Administrator shall maintain the funds until distribution in an account(s) segregated
26 from the assets of Defendant and any person related to Defendant. *All accrued*
27 *interest shall be paid and distributed to the Settlement Class Members as part of*
28 *their respective Individual Settlement Payment.*

OO. “Settlement Class Members” or “Settlement Class” means all Class Members who have not submitted a timely and valid request for exclusion as provided in this Agreement.

PP. “Pay Periods,” for purposes of calculating the distribution of the Net Settlement Amount, shall mean any pay period in which a Class Member is employed and performed at least one day’s work for Defendant. The Pay Periods will be calculated based on Defendant’s records and will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible written evidence. All Pay Period disputes will be resolved and decided by the Settlement Administrator, and the Settlement Administrator’s decision on all Pay Periods disputes will be final and non-appealable.

II. RECITALS

A. On October 25, 2021, Plaintiff filed a Notice of Violations with the Labor and Workforce Development Agency (LWDA) asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of the California Labor Code.

B. On January 3, 2022, Plaintiff filed a class and representative action complaint against Defendant entitled *Jackson Chou v. The Ding Doctor, Inc., et al.*, San Francisco County Superior Court, Case No. CGC-22-597414, asserting the following causes of action:

1. Failure To Pay Overtime Wages In Violation Of Cal. Lab. Code §§ 510, *et seq*;
2. Failure To Provide Required Rest Periods In Violation Of Cal. Lab. Code §§ 226.7 & 512 and the Applicable IWC Wage Order;
3. Failure To Provide Accurate Itemized Statements In Violation Of Cal. Lab. Code § 226;
4. Failure To Provide Wages When Due In Violation Of Cal. Lab. Code §§ 201, 202 and 203;

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5. Unfair Competition In Violation Of Cal. Bus. & Prof. Code §17200 *et seq.*;
and

6. Violations of the Private Attorney General Act pursuant to Labor Code section 2698, *et seq.*

C. On February 28, 2022, Plaintiff filed the First Amended Complaint in the Action, removing the cause of action for Unfair Competition In Violation Of Cal. Bus. & Prof. Code §17200 *et seq.*, as well as Plaintiff's class claims pursuant to the arbitration agreement Plaintiff executed during his employment with Defendant.

D. On July 20, 2022, Defendant filed a Motion to Compel Arbitration and Stay the Proceedings ("Motion to Compel"). On September 2, 2022, the Court conducted a hearing on Defendant's Motion to Compel and the Court subsequently granted the Motion in part, ordering Plaintiff's individual claims to arbitration and staying Plaintiff's representative claims under PAGA pending the outcome of the arbitration.

E. On October 11, 2022, Plaintiff served a Demand for Arbitration alleging individual Labor Code violations and individual PAGA claims.

F. On August 8, 2023, the Parties attended private mediation with mediator Michael D. Young, an experienced mediator of wage and hour class and PAGA actions, which was unsuccessful.

G. In and around April 2024 Claimant's individual claims that were the subject of the arbitration were resolved without prejudice to Plaintiff's right to pursue the PAGA claim.

H. On May 24, 2024, the Parties filed a joint stipulation to lift the stay of Plaintiff's representative PAGA claim, which the Court granted.

I. In or around August 2024, the Parties re-engaged mediator Michael D. Young to facilitate renewed settlement discussions, and with the assistance of Mr. Young, the Parties agreed to fully and finally resolve, subject to Court approval, the Class and PAGA Released Claims as to Plaintiff, the Class, and the Aggrieved Employees. The Parties accepted a Mediator's settlement proposal, which was subsequently

1 memorialized in the form of a Memorandum of Understanding.

2 J. On March 10, 2025, Plaintiff filed an amended PAGA notice with the LWDA in order
3 to facilitate the Parties' Settlement.

4 K. Defendant denies any liability or wrongdoing of any kind associated with the claims
5 alleged in the Action, disputes any wages, damages and penalties claimed alleged in
6 the Operative Complaint and/or alleged in the Class Representative's PAGA notices
7 to the LWDA, and further contends that, for any purpose other than settlement, the
8 Action is not appropriate for class or representative action treatment. Defendant
9 contends, among other things, that at all times it complied with the California Labor
10 Code and the Industrial Welfare Commission Wage Orders.

11 L. The Class Representative is represented by Class Counsel. Class Counsel investigated
12 the facts relevant to the Action, including conducting an independent investigation as
13 to the allegations, reviewing documents and information exchanged through formal
14 and informal discovery, and reviewing documents and information provided by
15 Defendant. Defendant produced for the purpose of settlement negotiations certain
16 employment data concerning the Class, which Class Counsel reviewed and analyzed
17 . Based on their own independent investigation and evaluation, Class Counsel are of
18 the opinion that the Settlement with Defendant is fair, reasonable, and adequate, and
19 is in the best interest of the Class considering all known facts and circumstances,
20 including the risks of significant delay, defenses asserted by Defendant, uncertainties
21 regarding class certification, and numerous potential appellate issues. Although it
22 denies any liability, Defendant agrees to this Settlement solely to avoid the
23 inconveniences and cost of further litigation. The Parties and their counsel have
24 agreed to settle the claims on the terms set forth in this Agreement.

25 M. This Agreement replaces and supersedes the Memorandum of Understanding and any
26 other agreements, understandings, or representations between the Parties. This
27 Agreement represents a compromise and settlement of highly disputed claims.
28 Nothing in this Agreement is intended or will be construed as an admission by

1 Defendant that the claims in the Action of Plaintiff or the Class Members have merit
2 or that Defendant bears any liability to Plaintiff or the Class on those claims or any
3 other claims, or as an admission by Plaintiff that Defendant's defenses in the Action
4 have merit.

5 N. The Parties believe that the Settlement is fair, reasonable, and adequate. The
6 Settlement was arrived at through arm's-length negotiations, considering all relevant
7 factors. The Parties recognize the uncertainty, risk, expense, and delay attendant to
8 continuing the Action through trial and any appeal. Accordingly, the Parties desire to
9 settle, compromise and discharge all disputes and claims arising from or relating to
10 the Action fully, finally, and forever.

11 O. The Parties agree to certification of the Class for purposes of this Settlement only. If
12 for any reason the settlement does not become effective, the Second Amended
13 Complaint filed concurrently herewith shall be deemed stricken, void, and of no
14 effect, and the First Amended Complaint shall continue as the operative complaint in
15 this Action. Defendant reserves all available defenses to the claims in the Action and
16 Plaintiff's PAGA letter (and any amended PAGA letter). The Settlement, this
17 Agreement, and the Parties' willingness to settle the Action will have no bearing on
18 and will not be admissible in connection with any litigation.

19 Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

20 **III. TERMS OF AGREEMENT**

21 A. Settlement Consideration and Settlement Payments by Defendant.

22 1. Settlement Consideration. In full and complete settlement of the Action, and
23 in exchange for the releases set forth below, Defendant will pay the sum of
24 the Individual Settlement Payments, the Service Award, the Class Counsel
25 Award, PAGA Payment, and the Settlement Administration Costs, as
26 specified in this Agreement, equal to the Six Hundred Fifty Thousand Dollars
27 and Zero Cents (\$650,000.00). The Parties agree that this is a non-
28 reversionary Settlement and that no portion of the Gross Settlement Amount

1 shall revert to Defendant. Other than the Defendant's share of employer
2 payroll taxes and as provided in Section III.A.2 below, Defendant shall not be
3 required to pay more than the Gross Settlement Amount.

4 2. Class Size. Defendant represents that the Class collectively worked
5 approximately 57,000 Pay Periods during the Class Period. If the final
6 accounting of the number of Pay Periods during the Class Period is more than
7 10% higher than the estimated 57,000 Pay Periods, Defendant shall notify
8 Plaintiff that it will, at Defendant's sole discretion, either (i) increase the Gross
9 Settlement Amount by a proportional amount over the 10% grace; or (ii)
10 Defendant can elect to have the Class Period be deemed to end on the date
11 that the total number of Pay Periods in the Class Period exceeds 57,000 by
12 10%. For example, if the total number of Pay Periods in the Class Period is
13 11% more than 57,000 (i.e. 63,270 Pay Periods), then Defendant agrees to
14 increase the Gross Settlement Amount by 1%, unless Defendant exercises the
15 right to end the Class Period on the date that the Pay Periods in the Class
16 Period totaled 10% more than 57,000 Pay Periods.

17 3. Settlement Payment. Defendant shall deposit the Gross Settlement Amount
18 into the QSF, through the Settlement Administrator on or before the Funding
19 Date. Any interest accrued will be added to the NSA and distributed to the
20 Settlement Class Members except that if final approval is reversed on appeal,
21 then Defendant is entitled to prompt return of the principal and all interest
22 accrued.

23 4. Defendant's Share of Payroll Taxes. Defendant's share of employer side
24 payroll taxes is in addition to the Gross Settlement Amount and shall be paid
25 together with the Gross Settlement Amount on the Funding Date.

26 B. Release by Settlement Class Members. As of the Funding Date, in exchange for the
27 consideration set forth in this Agreement, Plaintiff and the Settlement Class Members
28 release the Released Parties from the Released Class Claims for the Class Period. As

1 a result of this release, the Settlement Class Members shall be precluded from bringing
2 claims against Released Parties for the Released Class Claims.

3 C. Release by the Aggrieved Employees. As of the Funding Date, in exchange for the
4 consideration set forth in this Agreement, the Plaintiff, the LWDA and the State of
5 California release the Released Parties from the Released PAGA Claims for the PAGA
6 Period. As a result of this release, the Aggrieved Employees shall be precluded from
7 bringing claims against Released Parties for the Released PAGA Claims.

8 D. General Release by the Parties. As of the Funding Date, for the consideration set forth
9 in this Agreement, the Plaintiff waives, releases, acquits and forever discharges the
10 Released Parties, and Defendant waives, releases, acquits and forever discharges
11 Plaintiff, from any and all claims, whether known or unknown, which exist or may
12 exist on each respective Party's behalf as of the date of this Agreement, including but
13 not limited to any and all tort claims, contract claims, unfair competition claims, wage
14 claims, wrongful termination claims, disability claims, benefit claims, public policy
15 claims, retaliation claims, statutory claims, personal injury claims, emotional distress
16 claims, invasion of privacy claims, defamation claims, fraud claims, quantum meruit
17 claims, and any and all claims arising under any federal, state or other governmental
18 statute, law, regulation or ordinance, including, but not limited to claims for violation
19 of the Fair Labor Standards Act, the California Labor Code, the Wage Orders of
20 California's Industrial Welfare Commission, other state wage and hour laws, the
21 Americans with Disabilities Act, the Age Discrimination in Employment Act (ADEA),
22 the Employee Retirement Income Security Act, Title VII of the Civil Rights Act of
23 1964, the California Fair Employment and Housing Act, the California Family Rights
24 Act, the Family Medical Leave Act, California's Whistleblower Protection Act,
25 California Business & Professions Code Section 17200 et seq., and any and all claims
26 arising under any federal, state or other governmental statute, law, regulation or
27 ordinance. Plaintiff also waives and relinquishes any and all claims, rights or benefits
28 that he may have under California Civil Code § 1542, which provides as follows:

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

Thus, notwithstanding the provisions of section 1542, and to implement a full and complete release and discharge of the Released Parties and Plaintiff, the Parties expressly acknowledge this Settlement Agreement is intended to include in its effect, without limitation, all claims the Parties do not know or suspect to exist in each Party's favor at the time of signing this Settlement Agreement, and that this Settlement Agreement contemplates the extinguishment of any such claims.

E. Conditions Precedent: This Settlement will become final and effective only upon the occurrence of all of the following events:

1. The Court enters an order granting preliminary approval of the Settlement;
2. The Court enters an order granting final approval of the Settlement and a Final Judgment;
3. If an objector appears at the final approval hearing, the time for appeal of the Final Judgment and Order Granting Final Approval of Class Action Settlement expires; or, if an appeal is timely filed, there is a final resolution of any appeal from the Judgment and Order Granting Final Approval of Class Action Settlement; and
4. Defendant fully funds the Gross Settlement Amount.

F. Nullification of Settlement Agreement. If the Court does not preliminarily or finally approve this Settlement Agreement, fails to become effective, or is reversed, withdrawn, or modified by the Court, or in any way prevents or prohibits Defendant from obtaining a complete resolution of the Released Class Claims and Released PAGA Claims, or if Defendant fails to fully fund the Gross Settlement Amount:

1. This Settlement Agreement shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative, or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural;
2. The conditional class certification (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative, or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural;
3. The Second Amended Complaint filed concurrently herewith shall be void *ab initio* and the First Amended Complaint shall resume being the operative complaint in the Action; and
4. None of the Parties to this Settlement will be deemed to have waived any claims, objections, defenses, or arguments in the Action.

G. In the event that Defendant fails to fund the Gross Settlement Amount contrary to the terms of this Stipulation Defendant shall bear the sole responsibility for any cost to issue or reissue any curative notice to the Settlement Class Members and all Settlement Administration Costs incurred to the date of nullification.

H. Certification of the Class. The Parties stipulate to conditional class certification of the Class for the Class Period for purposes of settlement only. In the event that this Settlement is not approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendant from obtaining a complete resolution of the Released Class Claims and Released PAGA Claims, the conditional class certification (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural.

I. Tax Liability. The Parties make no representations as to the tax treatment or legal effect of the payments called for, and Class Members and/or Aggrieved Employees are

1 not relying on any statement or representation by the Parties in this regard. Class
2 Members and/or Aggrieved Employees understand and agree that they will be
3 responsible for the payment of any taxes and penalties assessed on the Individual
4 Settlement Payments and/or Aggrieved Employees' individual shares of the Aggrieved
5 Employee Payment described and will be solely responsible for any penalties or other
6 obligations resulting from their personal tax reporting of Individual Settlement
7 Payments and/or Aggrieved Employees' individual shares of the Aggrieved Employee
8 Payment.

9 J. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
10 the "acknowledging party" and each Party to this Agreement other than the
11 acknowledging party, an "other party") acknowledges and agrees that: (1) no provision
12 of this Agreement, and no written communication or disclosure between or among the
13 Parties or their attorneys and other advisers, is or was intended to be, nor shall any
14 such communication or disclosure constitute or be construed or be relied upon as, tax
15 advice within the meaning of United States Treasury Department circular 230 (31 CFR
16 part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his,
17 her or its own, independent legal and tax counsel for advice (including tax advice) in
18 connection with this Agreement, (b) has not entered into this Agreement based upon
19 the recommendation of any other Party or any attorney or advisor to any other Party,
20 and (c) is not entitled to rely upon any communication or disclosure by any attorney
21 or adviser to any other party to avoid any tax penalty that may be imposed on the
22 acknowledging party, and (3) no attorney or adviser to any other Party has imposed
23 any limitation that protects the confidentiality of any such attorney's or adviser's tax
24 strategies (regardless of whether such limitation is legally binding) upon disclosure by
25 the acknowledging party of the tax treatment or tax structure of any transaction,
26 including any transaction contemplated by this Agreement.

27 K. Preliminary Approval Motion. As soon thereafter as practicable after the execution of
28 this Agreement, Plaintiff shall file with the Court a Motion for Order Granting

1 Preliminary Approval and supporting papers, which shall include this Settlement
2 Agreement. Plaintiff will provide Defendant with a draft of the Motion at least three
3 (3) business days prior to the filing of the Motion to give Defendant an opportunity to
4 review and comment upon the Motion.

5 L. Settlement Administrator. The Settlement Administrator shall be responsible for:
6 establishing and administering the QSF; calculating, processing and mailing payments
7 to the Class Representative, Class Counsel, LWDA and Class Members; printing and
8 mailing the Notice Packets to the Class Members as directed by the Court; receiving
9 and reporting the objections and requests for exclusion; calculating, deducting and
10 remitting all legally required taxes from Individual Settlement Payments and
11 distributing tax forms for the Wage Portion, the Penalties Portion and the Interest
12 Portion of the Individual Settlement Payments and/or Aggrieved Employees'
13 individual shares of the Aggrieved Employee Payment; processing and mailing tax
14 payments to the appropriate state and federal taxing authorities; providing
15 declaration(s) as necessary in support of preliminary and/or final approval of this
16 Settlement; and other tasks as the Parties mutually agree or the Court orders the
17 Settlement Administrator to perform. The Settlement Administrator shall keep the
18 Parties timely apprised of the performance of all Settlement Administrator
19 responsibilities by among other things, sending a weekly status report to the Parties'
20 counsel stating the date of the mailing, the of number of opt outs from the Settlement
21 it receives (including the numbers of valid and deficient), and number of objections
22 received.

23 M. Notice Procedure.

24 1. Class Data. No later than ten (10) business days after the Preliminary
25 Approval Date, Defendant shall provide the Settlement Administrator with the
26 Class Data for purposes of preparing and mailing Notice Packets to the Class
27 Members.

28 2. Notice Packets.

- 1 a) The Notice Packet shall contain the Notice of Class Action Settlement
2 in a form substantially similar to the form attached as **Exhibit A**. The
3 Notice of Class Action Settlement shall inform Class Members and
4 Aggrieved Employees that they need not do anything in order to
5 receive an Individual Settlement Payment and/or Aggrieved
6 Employees' individual shares of the Aggrieved Employee Payment
7 and to keep the Settlement Administrator apprised of their current
8 mailing address, to which the Individual Settlement Payments and/or
9 Aggrieved Employees' individual shares of the Aggrieved Employee
10 Payment will be mailed following the Funding Date. The Notice of
11 Class Action Settlement shall set forth the release to be given by all
12 members of the Class who do not request to be excluded from the
13 Settlement Class and/or Aggrieved Employees in exchange for an
14 Individual Settlement Payment and/or Aggrieved Employees'
15 individual shares of the Aggrieved Employee Payment, the number of
16 Pay Periods worked by each Class Member during the Class Period,
17 and number of PAGA Periods worked by each Aggrieved Employee
18 during the PAGA Period, if any, and the estimated amount of their
19 Individual Settlement Payment if they do not request to be excluded
20 from the Settlement and each Aggrieved Employees' share of the
21 Aggrieved Employee Payment, if any. The Settlement Administrator
22 shall use the Class Data to determine Class Members' Pay Periods and
23 PAGA Pay Periods. The Notice will also advise the Aggrieved
24 Employees that they will release the Released PAGA Claims and will
25 receive their share of the Aggrieved Employee Payment regardless of
26 whether they request to be excluded from the Settlement.
- 27 b) The Notice Packet's mailing envelope shall include the following
28 language: "IMPORTANT LEGAL DOCUMENT - YOU MAY BE

1 ENTITLED TO PARTICIPATE IN A CLASS ACTION
2 SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR
3 ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED
4 NOTICE.”

5 3. Notice by First Class U.S. Mail. Upon receipt of the Class Data, the
6 Settlement Administrator will perform a search based on the National Change
7 of Address Database to update and correct any known or identifiable address
8 changes. No later than twenty-one (21) calendar days after preliminary
9 approval of the Settlement, the Settlement Administrator shall mail copies of
10 the Notice Packet to all Class Members via regular First-Class U.S. Mail and
11 electronic mail. The Settlement Administrator shall exercise its best judgment
12 to determine the current mailing address for each Class Member. The address
13 identified by the Settlement Administrator as the current mailing address shall
14 be presumed to be the best mailing address for each Class Member.

15 4. Undeliverable Notices. Any Notice Packets returned to the Settlement
16 Administrator as non-delivered on or before the Response Deadline shall be
17 re-mailed to any forwarding address provided within seven (7) days of
18 receiving the returned notice. If no forwarding address is provided, the
19 Settlement Administrator shall promptly attempt to determine a correct
20 address by lawful use of skip-tracing, or other search using the name, address
21 and/or Social Security number of the Class Member involved, and shall then
22 perform a re-mailing, if another mailing address is identified by the Settlement
23 Administrator. In addition, if any Class Member who is currently employed
24 by Defendant, is returned to the Settlement Administrator, as non-delivered
25 and no forwarding address is provided, the Settlement Administrator shall
26 notify Defendant. Defendant will request that the currently employed Class
27 Member provide a corrected address and transmit to the Settlement
28 Administrator any corrected address provided by the Class Member. Class

Members who received a re-mailed Notice Packet shall have their Response Deadline extended fifteen (15) days from the original Response Deadline.

5. Disputes Regarding Individual Settlement Payments. Class Members will have the opportunity, should they disagree with Defendant's records regarding the start and end dates of employment, to provide documentation and/or an explanation to show contrary dates. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Payment shall be binding upon the Class Member and the Parties.

6. Disputes Regarding Administration of Settlement. Any disputes not resolved by the Settlement Administrator concerning the administration of the Settlement will be resolved by the Court under the laws of the State of California. Before any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the disputes without the necessity of involving the Court.

7. Exclusions. The Notice of Class Action Settlement contained in the Notice Packet shall state that Class Members who wish to exclude themselves from the Settlement must submit a signed copy of the Request for Exclusion form to the Settlement Administrator by the Response Deadline. A Request for Exclusion form will be mailed together with the Notice Packet to all Class Members. The Request for Exclusion will not be valid if it is not timely submitted, if it is not signed by the Class Member, or if it does not contain the name and address and last four digits of the Social Security number of the Class Member. The date of the postmark on the mailing envelope or fax stamp on the Request for Exclusion shall be the exclusive means used to determine

whether the request for exclusion was timely submitted. Any Class Member who submits a timely Request for Exclusion shall be excluded from the Settlement Class will not be entitled to an Individual Settlement Payment and will not be otherwise bound by the terms of the Settlement or have any right to object, appeal, or comment thereon. However, any Class Member that submits a timely Request for Exclusion that is also an Aggrieved Employee will still receive his/her pro rata share of the Aggrieved Employee Payment, as specified below, and in consideration, will be bound by the Release by the PAGA Class as set forth herein. Class Members who fail to submit a valid and timely Request for Exclusion on or before the Response Deadline shall be bound by all terms of the Settlement and any final judgment entered in this Action if the Court approves the Settlement. No later than seven (7) calendar days after the Response Deadline, the Settlement Administrator shall provide counsel for the Parties with a final list of the Class Members who have timely submitted timely Requests for Exclusion. Defendant retains the right, in the exercise of its sole discretion, to nullify the settlement within twenty-one (21) days after expiration of the exclusion period, if five percent (5%) or more of Class Members exclude themselves from the Settlement. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage members of the Class to submit Requests for Exclusion from the Settlement.

8. Objections. The Notice of Class Action Settlement contained in the Notice Packet shall state that Class Members who wish to object to the Settlement may submit to the Settlement Administrator a written statement of objection (“Notice of Objection”) by the Response Deadline. The postmark date of mailing shall be deemed the exclusive means for determining that a Notice of Objection was served timely. The Notice of Objection, if in writing, must be signed by the Settlement Class Member and state: (1) the case name and number; (2) the name of the Settlement Class Member; (3) the address of the

1 Settlement Class Member; (4) the last four digits of the Settlement Class
2 Member's Social Security number; (5) the basis for the objection; and (6) if
3 the Settlement Class Member intends to appear at the Final
4 Approval/Settlement Fairness Hearing. Settlement Class Members who fail
5 to make objections in writing in the manner specified above may still make
6 their objections orally at the Final Approval/Settlement Fairness Hearing with
7 the Court's permission. Settlement Class Members will have a right to appear
8 at the Final Approval/Settlement Fairness Hearing to have their objections
9 heard by the Court regardless of whether they submitted a written objection.
10 At no time shall any of the Parties or their counsel seek to solicit or otherwise
11 encourage Class Members to file or serve written objections to the Settlement
12 or appeal from the Order and Final Judgment. Class Members who submit a
13 written request for exclusion may not object to the Settlement. Class Members
14 may not object to the PAGA Payment.

15 N. Allocation of the Gross Settlement Amount.

- 16 1. Calculation of Individual Settlement Payments. Individual Settlement
17 Payments shall be paid from the Net Settlement Amount and shall be paid
18 pursuant to the formula set forth herein. Using the Class Data, the Settlement
19 Administrator shall add up the total number of Pay Periods for all Class
20 Members. The respective Pay Periods for each Class Member will be divided
21 by the total Pay Periods for all Class Members, resulting in the Payment Ratio
22 for each Class Member. Each Class Member's Payment Ratio will then be
23 multiplied by the Net Settlement Amount to calculate each Class Member's
24 estimated Individual Settlement Payments. Each Individual Settlement
25 Payment will be reduced by any legally mandated employee tax withholdings
26 (e.g., employee payroll taxes, etc.). Individual Settlement Payments for Class
27 Members who submit valid and timely requests for exclusion will be
28 redistributed to Settlement Class Members who do not submit valid and timely

requests for exclusion on a pro rata basis based on their respective Payment Ratios.

2. Calculation of Individual Payments to the Aggrieved Employees. Using the Class Data, the Settlement Administrator shall add up the total number of PAGA Pay Periods for all Aggrieved Employees during the PAGA Period. The respective PAGA Pay Periods for each Aggrieved Employees will be divided by the total PAGA Pay Periods for all Aggrieved Employees, resulting in the “PAGA Payment Ratio” for each Aggrieved Employee. Each Aggrieved Employee’s PAGA Payment Ratio will then be multiplied by the Aggrieved Employee Payment to calculate each Aggrieved Employee’s estimated share of the Aggrieved Employee Payment.

3. Allocation of Individual Settlement Payments. For tax purposes, Individual Settlement Payments shall be allocated and treated as 10% wages (“Wage Portion”) and 90% penalties and pre-judgment interest (“Penalties and Interest Portion”). The Wage Portion of the Individual Settlement Payments shall be reported on IRS Form W-2 and the Penalties and Interest Portion of the Individual Settlement Payments shall be reported on IRS Form 1099 issued by the Settlement Agreement.

4. Allocation of Aggrieved Employee Payments. For tax purposes, Aggrieved Employee Settlement Payments shall be allocated and treated as 100% penalties and shall be reported on IRS Form 1099.

5. No Credit Toward Benefit Plans. The Individual Settlement Payments and individual shares of the PAGA Payment made to Settlement Class Members and/or Aggrieved Employees under this Settlement Agreement, as well as any other payments made pursuant to this Settlement Agreement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans,

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

5 6. All monies received by Settlement Class Members under the Settlement which
6 are attributable to wages shall constitute income to such Settlement Class
7 Members solely in the year in which such monies are received by the Settlement
8 Class Members. It is the intent of the Parties that Individual Settlement Payments
9 and individual shares of the PAGA Payment provided for in this Settlement
10 agreement are the sole payments to be made by Defendant to Settlement Class
11 Members and/or Aggrieved Employees in connection with this Settlement
12 Agreement, with the exception of Plaintiff, and that the Settlement Class
13 Members and/or Aggrieved Employees are not entitled to any new or additional
14 compensation or benefits as a result of having received the Individual Settlement
15 Payments and/or their shares of the Aggrieved Employee Payment.

16 7. Mailing. Individual Settlement Payments and Aggrieved Employee Payments
17 shall be mailed by regular First-Class U.S. Mail to Settlement Class Members'
18 and/or Aggrieved Employees' last known mailing address no later than fifteen
19 (15) business days after the Funding Date.

20 8. Expiration. Any checks issued to Settlement Class Members and Aggrieved
21 Employees shall remain valid and negotiable for one hundred and eighty (180)
22 days from the date of their issuance. If a Settlement Class Member and/or
23 Aggrieved Employees does not cash his or her settlement check within ninety
24 (90) days, the Settlement Administrator will send a letter to such persons,
25 advising that the check will expire after the 180th day, and invite that
26 Settlement Class Member and/or Aggrieved Employees to request reissuance
27 in the event the check was destroyed, lost, or misplaced. In the event an
28 Individual Settlement Payment and/or Aggrieved Employees' individual

1 share of the PAGA Payment check has not been cashed within one hundred
2 and eighty (180) days, all funds represented by such uncashed checks, plus
3 any interest accrued thereon, shall be transmitted to the Unclaimed Property
4 Fund of the State Controller's office in the name of the Settlement Class
5 Member or Aggrieved Employee, leaving no "unpaid residue," subject to the
6 requirements of California Code of Civil Procedure § 384(b) .

7 9. Service Award. In addition to the Individual Settlement Payment as a
8 Settlement Class Member and his individual share of the Aggrieved Employee
9 Payment, Plaintiff will apply to the Court for an award of not more than
10 \$10,000.00, as the Service Award. Defendant will not oppose a Service
11 Award of not more than \$10,000.00 for Plaintiff. The Settlement
12 Administrator shall pay the Service Award, either in the amount stated herein
13 if approved by the Court or some other amount as approved by the Court, to
14 Plaintiff from the Gross Settlement Amount no later than fifteen (15) calendar
15 days after the Funding Date. Any portion of the requested Service Award that
16 is not awarded to the Class Representative shall be part of the Net Settlement
17 Amount and shall be distributed to Settlement Class Members as provided in
18 this Agreement. The Settlement Administrator shall issue an IRS Form 1099
19 — MISC to Plaintiff for his Service Award. Plaintiff shall be solely and
20 legally responsible to pay any and all applicable taxes on his Service Award
21 and shall completely indemnify and hold harmless the Released Parties from
22 any claim or liability for taxes, penalties, or interest arising as a result of the
23 Service Award. Approval of this Settlement shall not be conditioned on Court
24 approval of the requested amount of the Service Award. If the Court reduces
25 or does not approve the requested Service Award, Plaintiff shall not have the
26 right to revoke the Settlement, and it will remain binding.

27 10. Class Counsel Award. Defendant understands, and will not oppose, a motion
28 for Attorneys' Fees not to exceed one-third of the Gross Settlement Amount

currently estimated to be Two Hundred Sixteen Thousand and Six Hundred Forty-Five Dollars and Zero Cents (\$216,645.00) **and** Attorneys' Expenses supported by declaration not to exceed Five Hundred Dollars and Zero Cents (\$500.00). Any awarded Class Counsel Award shall be paid from the Gross Settlement Amount. Any portion of the requested Attorneys' Fees and/or Attorneys' Expenses that are not awarded to Class Counsel shall be part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement. The Settlement Administrator shall allocate and pay the Attorneys' Fees to Class Counsel from the Gross Settlement Amount no later than fifteen (15) calendar days after the Funding Date. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the payment made pursuant to this paragraph. The Settlement Administrator shall issue an IRS Form 1099 — MISC to Class Counsel for the payments made pursuant to this paragraph. If the Court reduces or does not approve the requested Attorneys' Fees, Plaintiff and Class Counsel shall not have the right to revoke the Settlement, or to appeal such order, and the Settlement will remain binding.

11. PAGA Payment. Forty Thousand Dollars and Zero Cents (\$40,000.00) shall be allocated from the Gross Settlement Amount for settlement of claims for civil penalties under the Private Attorneys General Act of 2004 ("PAGA Payment"). The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Payment (\$30,000.00) to the California Labor and Workforce Development Agency no later than fifteen (15) calendar days after the Effective Date (hereinafter "LWDA Payment"). Twenty-five percent (25%) of the PAGA Payment (\$10,000.00) will be distributed to the Aggrieved Employees as described in this Agreement (hereinafter "Aggrieved Employee Payment"). For purposes of distributing the PAGA Payment to the Aggrieved Employees, each Aggrieved Employee shall receive their pro-rata

1 share of the Aggrieved Employee Payment using the PAGA Payment Ratio
2 as defined above.

3 12. Settlement Administration Costs. The Settlement Administrator shall be paid
4 for the costs of administration of the Settlement from the Gross Settlement
5 Amount. The estimate of the Settlement Administration Costs is \$30,000.00.
6 The Settlement Administrator shall be paid the Settlement Administration
7 Costs no later than fifteen (15) calendar days after the Effective Date.

8 O. Final Approval Motion. Class Counsel and Plaintiff shall use best efforts to file with
9 the Court a Motion for Order Granting Final Approval and Entering Judgment, within
10 twenty-eight (28) days following the expiration of the Response Deadline, which
11 motion shall request final approval of the Settlement and a determination of the
12 amounts payable for the Service Award, the Class Counsel Award, the PAGA
13 Payment, and the Settlement Administration Costs. Plaintiff will provide Defendant
14 with a draft of the Motion at least three (3) business days prior to the filing of the
15 Motion to give Defendant an opportunity to propose changes or additions to the
16 Motion.

17 1. Declaration by Settlement Administrator. No later than seven (7) days after
18 the Response Deadline, the Settlement Administrator shall submit a
19 declaration in support of Plaintiff's motion for final approval of this
20 Settlement detailing the number of Notice Packets mailed and re-mailed to
21 Class Members, the number of undeliverable Notice Packets, the number of
22 timely requests for exclusion, the full names of any Class Members who opt
23 out of the Settlement, the number of objections received, the amount of the
24 average, lowest, and highest Individual Settlement Payments, the amount of
25 the average, lowest, and highest Aggrieved Employee Payments, the
26 Settlement Administration Costs, and any other information as the Parties
27 mutually agree or the Court orders the Settlement Administrator to provide.
28

2. Final Approval Order and Judgment. Class Counsel shall present an Order Granting Final Approval of Class Action Settlement to the Court for its approval, and Judgment thereon, at the time Class Counsel files the Motion for Final Approval.

N. Review of Motions for Preliminary and Final Approval. Class Counsel will provide an opportunity for Counsel for Defendant to review the Motions for Preliminary and Final Approval, including the Order Granting Final Approval of Class Action Settlement, and Judgment at least three (3) business days in advance of filing with the Court. The Parties and their counsel will cooperate with each other and use their best efforts to affect the Court's approval of the Motions for Preliminary and Final Approval of the Settlement, and entry of Judgment.

O. Notice to LWDA of Settlement. Class Counsel will comply with Cal. Lab. Code § 2699(l) and notify the LWDA of the Settlement, including but not limited to, all Court orders and judgments related to the Settlement, within the required statutory and/or Court-prescribed deadlines.

P. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts to implement the Settlement.

Q. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval/Settlement Fairness Hearing to be conducted by the Court.

R. Amendment or Modification. This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties.

S. Entire Agreement. This Agreement and any attached Exhibit constitute the entire Agreement among these Parties, and no oral or written representations, warranties or inducements have been made to any Party concerning this Agreement or its Exhibit other than the representations, warranties and covenants contained and memorialized in this Agreement and its Exhibit.

///

1 T. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
2 represent they are expressly authorized by the Parties whom they represent to negotiate
3 this Agreement and to take all appropriate Action required or permitted to be taken by
4 such Parties pursuant to this Agreement to effectuate its terms, and to execute any other
5 documents required to effectuate the terms of this Agreement. The persons signing
6 this Agreement on behalf of Defendant represents and warrants that he/she is
7 authorized to sign this Agreement on behalf of Defendant. Plaintiff represents and
8 warrants that he is authorized to sign this Agreement and that he has not assigned any
9 claim, or part of a claim, covered by this Settlement to a third-party.

10 U. No Public Comment: The Parties and their counsel agree not to issue any press
11 releases, initiate any contact with the press, respond to any press inquiry or make any
12 public communication about the fact, amount or terms of the settlement, except
13 however that this does not prohibit disclosures required by law and/or within Plaintiff
14 and Plaintiff's counsel and expert, Defendant and Defendant's counsel and expert, and
15 those within Defendant's organization or financial advisors/accountants with a need to
16 know in order to approve or execute the terms of this Settlement Agreement. Plaintiff's
17 Counsel shall not report the settlement or its content in any medium or in any
18 publication, shall not post or report anything regarding the claims of Plaintiff or the
19 Settlement Class on their website, and shall not contact any reporters or media
20 regarding the settlement, the Action, or their content. However, Plaintiff's Counsel is
21 authorized to make disclosure to the Court and the LWDA for the purposes of
22 obtaining the approval of the settlement, concluding any superior court or appellate
23 court proceedings in the Action, and complying with any California Rules of Court or
24 ethical requirements. Nothing in this provision is intended to prohibit: (i) Plaintiff from
25 discussing this settlement with their spouses, attorneys, tax advisors, or taxing
26 authorities; (ii) Plaintiff's counsel from citing the settlement in this case as evidence
27 supporting their competence as counsel in wage/hour and/or class action matters in
28 public court filings; or (iii) Plaintiff's counsel from communicating with the settlement

1 administrator, Plaintiff in this case, the LWDA, or with the court in which this action
2 is pending; (iv) Plaintiff's counsel to report on the settlement in other courts as may be
3 required by the California Rules of Court or when responding to any inquiry from
4 another court; (v) Plaintiff's counsel from discussing the settlement with the
5 Settlement Class if contacted with questions.

6 V. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure
7 to the benefit of, the successors or assigns of the Parties, as previously defined.

8 W. California Law Governs. All terms of this Agreement and the Exhibit and any disputes
9 shall be governed by and interpreted according to the laws of the State of California.

10 X. Counterparts. This Agreement may be executed in one or more counterparts. All
11 executed counterparts and each of them shall be deemed to be one and the same
12 instrument provided that counsel for the Parties to this Agreement shall exchange
13 among themselves copies or originals of the signed counterparts.

14 Y. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this Settlement
15 is a fair, adequate and reasonable settlement of this Action and have arrived at this
16 Settlement after extensive arms-length negotiations, taking into account all relevant
17 factors, present and potential.

18 Z. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with
19 respect to the interpretation, implementation and enforcement of the terms of this
20 Agreement and all orders and judgments entered in connection therewith, and the
21 Parties and their counsel submit to the jurisdiction of the Court for purposes of
22 interpreting, implementing and enforcing the settlement and all orders and judgments
23 entered in connection with this Agreement.

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

28 ///

BB. No Admissions by the Parties. Plaintiff has claimed and continues to claim that the Released Claims have merit and give rise to liability on the part of Defendant. Defendant claims that the Released Claims have no merit and do not give rise to liability. This Agreement is a compromise of disputed claims. Nothing contained in this Agreement and no documents referred to and no action taken to carry out this Agreement may be construed or used as an admission by or against the Defendant or Plaintiff or Class Counsel as to the merits or lack thereof of the claims asserted. Other than as may be specifically set forth herein, each Party shall be responsible for and shall bear its/his own attorney's fees and costs.

IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

DATED: 4/1/2025

DocuSigned by:

C2A8E675522E4B3...

JACKSON CHOU

IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANT:

DATED: Mar 31, 2025


Daniel Chaves (Mar 31, 2025 19:27 CDT)

THE DING DOCTOR, INC.

Daniel Chaves

Printed Name

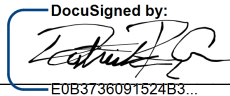
Pres/CEO

Title

1 IT IS SO AGREED AS TO FORM BY COUNSEL:
2

3 DATED: 4/1/2025

THE CO LAW FIRM

By:  DocuSigned by:
E0B3736091524B3...

Attorneys for Plaintiff and the Settlement Class
Members

8 DATED: 4/1/2025

LAW OFFICE OF G. MARTIN VELEZ

By:  DocuSigned by:
68826F5061AE4AE...

Attorneys for Plaintiff and the Settlement Class
Members

13 DATED: March 31, 2025

FISHER & PHILLIPS LLP.

By: 
Danielle Hultenius Moore
Bret Martin
Julia A. Sherwood

Attorneys for Defendant

EXHIBIT A

NOTICE OF PENDENCY OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT AND FINAL HEARING DATE

(Jackson Chou v. The Ding Doctor, Inc., et al., San Francisco County Superior Court, Case No. CGC-22-597414)

YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE READ THIS NOTICE CAREFULLY.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Individual Settlement Payment is: \$<<[REDACTED]>>. See the explanation below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendant as detailed below.
Exclude Yourself	If you wish to exclude yourself from the Class Settlement, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement . Instructions are set forth below.
Object	You may write to the Court about why you believe the settlement should not be approved. Directions are provided below.

1. Why did I get this Notice?

A proposed class action and Private Attorneys General Act (“PAGA”) settlement (the “Settlement”) of this lawsuit pending in the Superior Court for the State of California, County of San Francisco (the “Court”) has been reached between Plaintiff Jackson Chou (“Plaintiff”) and Defendant The Ding Doctor, Inc. (“Defendant”). The Court has granted preliminary approval of the Settlement. **You may be entitled to receive money from this Settlement.**

You have received this Class Notice because you have been identified as a member of the Class and PAGA Group, which is defined as:

All employees who are or previously were employed by Defendant in the State of California as non-exempt employees, or exempt employees working as location managers, regional managers, area managers, and on-site supervisors, from October 25, 2020 to **January 31, 2025** (“Class Period”).

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On October 25, 2021, Plaintiff filed a Notice of Violations with the Labor and Workforce Development Agency (LWDA). On January 3, 2022, Plaintiff filed a Complaint against Defendant, Daniel Michael Chaves, and Gary Michael Chaves, in the Superior Court of the State of California, County of San Francisco (the “Action”). On [DATE], Plaintiff filed a Second Amended Complaint (the “Operative Complaint”) asserting the following causes of action: [INSERT].

Defendant expressly denies any liability or wrongdoing of any kind associated with the claims alleged in the Action, dispute any wages, damages and penalties claimed by the Class Representative are owed, and further contend that, for any purpose other than settlement, the Action is not appropriate for class or representative action treatment. Defendant contends, among other things, that at all times it complied with the California Labor Code and the Industrial Welfare Commission Wage Orders.

On August 8, 2023, the Parties participated in an all-day mediation with Michael D. Young, an experienced mediator of wage and hour class and PAGA actions. Although the mediation was unsuccessful, the Parties resumed negotiations facilitated by Mr. Young in August 2024 and ultimately accepted a Mediator’s settlement proposal and reached an agreement for settlement. The Court granted preliminary approval of the Settlement on <<[INSERT PRELIMINARY APPROVAL DATE]>>. At that time, the Court also preliminarily approved the Plaintiff to serve as the Class Representative, and the law firms of The Co Law Firm, APC, and Law Office of G. Martin Velez to serve as Class Counsel.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendant have agreed to pay an “all in” amount of Six Hundred Fifty Thousand Dollars and Zero Cents (\$650,000.00) (the “Gross Settlement Amount”) to fund the settlement. The Gross Settlement Amount includes the payment of all Individual Settlement Payments, Settlement Administration Costs, Class Counsel Award, Service Award, and the PAGA Payment.

After the Judgment becomes Final, Defendant will pay the Gross Settlement Amount by depositing the money with the Settlement Administrator. “Final” means the date the Judgment is no longer subject to appeal, or if an appeal is filed, the date the appeal process is completed, and the Judgment is affirmed.

Amounts to be Paid from the Gross Settlement Amount. The Settlement provides for certain payments to be made from the Gross Settlement Amount, which will be subject to final Court approval, and which will be deducted from the Gross Settlement Amount before settlement payments are made to Class Members, as follows:

- Settlement Administration Costs. Payment to the Settlement Administrator, estimated not to exceed \$30,000.00 for expenses, including expenses of sending this Notice, processing opt outs, and distributing settlement payments.
- Class Counsel Award. Payment to Class Counsel of an award of attorneys’ fees of no more than 1/3 of the Gross Settlement Amount (currently \$216,645.00) and actually incurred litigation expenses of not more than \$500.00 for all expenses incurred as documented in Class Counsel’s billing records, both subject to Court approval. Class Counsel have been prosecuting the Action on behalf of Plaintiff and the Class on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.
- Service Award. A Service Award of up to Ten Thousand Dollars and Zero Cents (\$10,000.00) to Plaintiff, or such lesser amount as may be approved by the Court, to compensate him for services on behalf of the Class in initiating and prosecuting the Action, and for the risks he undertook.

- PAGA Payment. A payment of \$40,000.00 relating to Plaintiff's claim under the PAGA, \$30,000.00 of which will be paid to the State of California's Labor and Workforce Development Agency ("LWDA") and the remaining \$10,000.00 will be distributed to Aggrieved Employees as part of the PAGA Payment.
- Calculation of Payments to Settlement Class Members. After all the above payments of the court-approved Class Counsel Award, the Service Award, the PAGA Payment, and the Settlement Administration Costs are deducted from the Gross Settlement Amount, the remaining portion, called the "Net Settlement Amount," shall be distributed to class members who do **not** request exclusion ("Settlement Class Members"). The Individual Settlement Payment for each Settlement Class Member will be calculated by dividing the Net Settlement Amount by the total number of Pay Periods for all Settlement Class Members that occurred during the Class Period and multiplying the result by each individual Settlement Class Member's pay periods that occurred during the Class Period. A "Pay Period" shall mean any pay period during the Class Period in which a Class Member is employed and performed at least one day's work for Defendant.
- Calculation of Aggrieved Employees Payments to Aggrieved Employees. The PAGA Payment shall be distributed to Aggrieved Employees irrespective of whether they exclude themselves or opt-out. The PAGA Payment will be divided by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period, and then taking that number and multiplying it by the number of pay periods worked by each respective Aggrieved Employee during the PAGA Period. "Aggrieved Employee" means all persons within the State of California who are or were employed by Defendant as non-exempt employees, or exempt employees working as location managers, regional managers, area managers, and on-site supervisors during the period beginning October 25, 2020 to January 31, 2025 ("PAGA Period").

If the Settlement is approved by the Court, you will automatically be mailed a check for your Individual Settlement Payment to the same address as this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to ensure you receive your payment.

Tax Matters. Ten percent (10%) of each Individual Settlement Payment is allocated to wages ("Wages Portion"). Taxes are withheld from this amount, and each Settlement Class Member will be issued an Internal Revenue Service Form W-2 for such payment. Ninety percent (90%) of each Individual Settlement Payment is allocated to penalties and pre-judgment interest ("Penalties and Interest Portion"). Each Settlement Class Member will be issued an Internal Revenue Service Form 1099 for Penalty Portion and Interest Portion of the Individual Settlement Payments. In addition, no taxes will be withheld from the PAGA Payment paid to Aggrieved Employees, and each Aggrieved Employee will be issued an Internal Revenue Service Form 1099 for such payment. Neither Class Counsel nor Defendant's counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability. You may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

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

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

4. What Do I Release Under the Settlement?

Released Claims. Upon entry of final judgment and funding in full of the Gross Settlement Amount by Defendant, Plaintiff and the Settlement Class Members shall release the Released Parties of any and all claims relating to any and all facts and claims asserted in the Action or any other claims, based on the facts alleged in the operative pleading, including but not limited to any and all claims violations or damages relating minimum wages, overtime and double time wages; meal and rest breaks; failure to maintain accurate employment records; wage statement violations; failure to timely pay wages; separation pay violations; failure to reimburse business expenses; paid sick leave; unfair business practices, which arose during the Class Period, and any related claims for attorneys' fees, costs, or interest resulting therefrom.

As of the Effective Date and upon funding of the Gross Settlement Amount by Defendant, all Aggrieved Employees shall release all Released PAGA Claims, irrespective of whether they opted-out of the class settlement and will be bound by this PAGA Release (the "PAGA Release"). "Released PAGA Claims" shall mean the release from the Aggrieved Employees of any and all claims relating to any and all facts and claims asserted in the Action or any other claims, under PAGA, based on the facts alleged in the operative pleading and/or Plaintiff's PAGA notice to the LWDA, including but not limited to any and all claims for PAGA penalties for violations of the California Labor Code governing: minimum wages, overtime and double time wages; meal and rest breaks; failure to maintain accurate employment records; wage statement violations; failure to timely pay wages; separation pay violations; failure to reimburse business expenses; paid sick leave; unfair business practices; and including violations arising from the following California Labor Code sections: 201, 202, 203, 204, 226, 226.3, 226.7, 227, 227.3, 245.5, 246, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2800, and 2802, which arose during the PAGA Period, and any related claims for attorneys' fees, costs, or interest resulting therefrom.

This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant about the legal issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

5. How much will my payment be?

Defendant's records reflect that you have <<____>> Pay Periods worked during the Class Period (October 25, 2020, to **January 31, 2025).**

Based on this information, your estimated Individual Settlement Payment is <<____>>.

Defendant's records reflect that you have <<____>> Pay Periods worked during the PAGA Period (October 25, 2020, to **January 31, 2025).**

Based on this information, your estimated Aggrieved Employee Payment is <<____>>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Settlement Administrator at the address provided in this Notice no later than _____ [forty-five (45) days after the Notice or fifteen (15) days after the re-mailed Notice].

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your settlement payment will be mailed automatically to the same address as this Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: _____.

The Court will hold a hearing on _____ to decide whether to finally approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed within a few months after this hearing. If there are objections or appeals, resolving them can take time, perhaps more than a year. Please be patient. After entry of the Judgment, the Settlement Administrator will provide notice of the final judgment to the Class Members by posting a copy of the Judgment on the administrator's website at www._____.com.

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms, except as provided as follows.** Irrespective of whether you exclude yourself from the Settlement or "opt out," you will be bound by the PAGA Release, you will be deemed to have released the Released PAGA Claims, and you will receive a share of the PAGA Payment.

To opt out, you must submit to the Settlement Administrator, by First Class Mail, a written, signed and dated request for exclusion postmarked no later than _____. The address for the Settlement Administrator is _____. The request for exclusion must state in substance that the Class Member has read the Class Notice and that he or she wishes to be excluded from the settlement of the class action lawsuit entitled *Jackson Chou v. The Ding Doctor, Inc., et al.*, San Francisco County Superior Court, Case No. CGC-22-597414. The request for exclusion must contain your name, address, signature and the last four digits of your Social Security Number for verification purposes. The request for exclusion must be signed by you. No other person may opt out for a member of the Class.

Written requests for exclusion that are postmarked after _____, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I would like to challenge the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason, may object to the proposed Settlement. Objections may be in writing and state the Class Member's name, current address, telephone number, and describe why you believe the Settlement is unfair and whether you intend to appear at the final approval hearing. All written objections or other correspondence must also state the name and number of the case, which is ***Jackson Chou v. The Ding Doctor, Inc., et al.*, San Francisco County Superior Court, Case No. CGC-22-597414**. You may also object without submitting a written objection by appearing at the final approval hearing scheduled as described in Section 9 below.

To object to the Settlement, you cannot opt out. If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

Written objections must be delivered or mailed to the Settlement Administrator no later than _____. The address for the Settlement Administrator is _____.

The addresses for the Parties' counsel are as follows:

Class Counsel:

Patrick R. Co
THE CO LAW FIRM
201 Spear Street, Suite 1100
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Class Counsel:

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Counsel for Defendant:

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bmartin@fisherphillips.com

9. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at **00:00 AM/PM** on _____, at the San Francisco County Superior Court, Department 304, located at 400 McAllister Street, San Francisco, CA 94102, before Judge Ethan P. Schulman. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. The Court will listen to people who have made a timely written request to speak at the hearing or who appear at the hearing to object. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

10. How do I get more information about the Settlement?

You may call the Settlement Administrator at _____ or write to *Jackson Chou v. The Ding Doctor, Inc., et al., San Francisco County Superior Court, Case No. CGC-22-597414*, _____ c/o _____.

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Final Judgment or other Settlement documents by writing to The Co Law Firm, APC, 201 Spear Street, Suite 1100, San Francisco, CA 94105 or by visiting the administrator's website at www._____.com.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.

- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall pay all funds from such uncashed checks to the Unclaimed Property Fund of the State Controller's office in the name of the Settlement Class Member or Aggrieved Employee. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.