

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

This Settlement Agreement and Release (“Agreement”) is made and entered into by and among the Plaintiff Pedro Gonzalez (“Plaintiff”), individually and on behalf of others similarly situated, and Defendant Matchmaster Dyeing & Finishing, Inc. (“Defendant”), (collectively “Parties”) in the class action lawsuit styled PEDRO GONZALEZ, an individual v. MATCHMASTER DYEING & FINISHING INC., a California corporation; and DOES 1 through 50 inclusive, Case No. 20STCV07271, pending in the Superior Court of California, County of Los Angeles and LWDA Case No. LWDA-CM-761424-20 (“Action”). The Agreement shall not be admissible in any action nor for any purpose whatsoever, other than to enforce the terms of the Parties’ settlement. None of the Parties make any admission of any kind in entering into this agreement, but rather deny any and all liability as to one another.

This Agreement, including all associated exhibits or attachments, is made for the sole purpose of resolving the matter on a class wide and PAGA basis, subject to Court approval. This Agreement and the settlement it evidences is made in compromise of disputed claims. Because the Action was styled as a class action, this settlement must receive preliminary and final approval from the Court. Accordingly, Defendant and Plaintiff enter into this Agreement and associated Settlement on a conditional basis. In the event that the Court does not grant Final Approval or in the event that the Court does not enter Preliminary Approval or final judgment for any reason, this agreement shall be deemed null and void, it shall be of no force or effect whatsoever, it shall not be referred to or used for any purpose whatsoever, and the negotiation, terms, and entry of it shall remain subject to the provisions of California Evidence Code sections 1119 and 1152.

Defendant denies all of the claims as to liability, damages, and restitution as well as the class allegations asserted in the Action. Defendant has agreed to resolve this Action via this Agreement, but to the extent this Agreement is deemed void or does not take effect, Defendant does not waive, but rather expressly reserves, all rights to challenge all such claims and allegations in the Action upon all procedural and factual grounds, including without limitation

the ability to challenge class treatment on any grounds or to assert any and all defenses or privileges. Plaintiffs and Plaintiff's counsel agree that Defendant retains and reserves these rights. In particular, Plaintiffs and Plaintiff's counsel waive and agree not to argue or to present any argument that Defendant would be estopped from contesting class certification because it has entered into this Agreement.

1. DEFINITIONS

1.1 "Action" means the putative class action lawsuit styled PEDRO GONZALEZ, an individual v. MATCHMASTER DYEING & FINISHING INC., a California corporation; and DOES 1 through 50 inclusive, Case No. 20STCV07271, pending in the Superior Court of California, County of Los Angeles and LWDA Case No. LWDA-CM-761424-20 as well as the amended Complaint as set forth in paragraph 3.8.

1.2 "Administrative Costs" means the sum to be paid to the Third Party Administrator in connection with (1) preparing and processing the Settlement Payments; (2) withholding any required federal or state taxes from any payments made by the Settlement Payments; (3) calculating and remitting to the appropriate federal and state taxing authorities all taxes required by law for payments made by the Settlement Payments; (4) reporting to federal and state taxing authorities all payments made by the Settlement Payments; (5) issuing any required W-2 and/or IRS 1099 Forms for any payments made by the Settlement Payments; and (6) mailing all Notices, Claim Form and Settlement Payments. Administrative Costs shall be deducted from the Gross Settlement Amount. Administrative costs shall not to exceed fifteen thousand dollars (\$15,000.00)

1.3 "Approval Date" means the date of the final approval hearing and final approval.

1.4 "Attorneys' Fees and Costs" means the payments made to Class Counsel, who request a maximum fee award not to exceed Thirty Three and One Third-percent (33.33%) of the Gross Settlement Amount, plus Class Counsel's actual costs up to a maximum of fifteen thousand dollars (\$15,000.00). Class Counsel agree that they will not seek attorneys' fees and costs greater than these amounts. Defendant agrees not to oppose a fee request by Class Counsel

of up to Thirty Three and One-Third percent (33.33%) of the Gross Settlement Amount and actual costs up to a maximum of Fifteen Thousand Dollars (\$15,000.00). The Parties agree that a court order granting an attorney fee award and/or costs at a lesser amount shall not invalidate the Settlement.

1.5 “Class” or “Class Members” means all hourly non-exempt individuals who are or were employed by Defendant in California from September 2, 2016 through August 15, 2021 or the date or the preliminary approval, whichever is earlier. Defendant represents that the total number of Class Members is 643 as of July 13, 2021.

1.6 “Class Counsel” means Levin & Nalbandyan, LLP.

1.7 “Class Notice” or “Notice” means the Notice of Class action Settlement, substantially in the form attached as “**Exhibit A.**”

1.8 “Class Period” means the period of time beginning on September 2, 2016 through August 15, 2021 or the date or the preliminary approval, whichever is earlier.

1.9 “Class Representative” or “Class Representatives” means Pedro Gonzalez.

1.10 “Class Representative Enhancement Payment” means the sum of enhancement payment for the Class Representatives, in an amount not to exceed seven thousand and five Hundred Dollars (\$7,500.00), which Class Counsel may request, and Defendant may not object to.

1.14 “Counsel for Defendant” means Jackson Lewis, P.C.

1.11 “Court” means the Superior Court of the State of California for the County of Los Angeles.

1.16 “Dismissal Date” means the date the Court enters the Dismissal Order or Judgment.

1.17 “Dismissal Order” means the Order entered by the Court entering Judgment and retaining jurisdiction to enforce the terms of the Settlement Agreement.

1.18 “Effective Date” means the date by which the Final Approval Order becomes final. For purposes of this paragraph, the Final Approval Order “becomes final” upon the latter of: (i) the date affirmance of an appeal of the Order becomes final under the California Rules of

Court, the expiration of the time for a petition for review of the Final Approval Order and/or, if review is granted, the date of final affirmance of the Final Approval Order following review pursuant to that grant; (ii) the date of final dismissal of any appeal from the Final Approval Order or the final dismissal of any proceeding on review of any court of appeal's decision relating to the Final Approval Order; or (iii) if no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from the Final Approval Order.

1.19 “Final Approval Order” means the final Order entered by this Court approving the terms of this Settlement Agreement and the Plan of Allocation, as to Settlement of Plaintiff’s claims, and approving the payments of Attorneys’ Fees and Costs and Enhancement Payment as set forth in this Settlement Agreement.

1.20 “Individual Weeks Worked” means the total number of work weeks worked by a Class Member during the Class Period.

1.12 “Gross Settlement Amount” (“GSA”) is the amount of Three Hundred and Fifty Thousand Dollars (\$350,000.00).

1.13 “Net Settlement Amount” (“NSA”) means the GSA less Court-approved Attorneys’ Fees and Costs, Administrative Costs, the Court-approved Class Representative Enhancement Payment, and the portions of the PAGA Amount made to the State of California (as outlined in Section 5.10 below).

1.22 “Notice Packet” means the Class Notice and the Request for Exclusion Form.

1.23 “PAGA Amount” means the sum of Fifteen Thousand Dollars (\$15,000) for the release of claims under the Private Attorneys General Act of 2004, California Labor Code § 2698 et seq. (“PAGA”), to be paid as set forth in Section 5.10.

1.24 “Participating Class Member” means a Class Member who does not timely submit a Request for Exclusion Form.

1.25 “Parties” means Plaintiff and Defendant.

1.26 “Defendant” means Matchmaster Dyeing & Finishing, Inc., which the Parties have added to the Complaint as Defendant. (See Section 3.8.) For formatting purposes, the terms “Defendant” and “Defendants” are interchangeable in this Agreement.

1.27 “PAGA Employee(s)” means all Class Members who worked at any time during the period from February 28, 2019 through the date of Preliminary Approval or August 15, 2021, whichever date is sooner. Defendant represents there are a total of 440 PAGA Employees as of July 12, 2021.

1.28 “PAGA Payment” means the payment of each PAGA Member’s *pro rata* share of 25% of the PAGA Amount, which is Three Thousand Seven Hundred Fifty Dollars (\$3,750.00). OK

1.29 “PAGA Period” means the period from February 28, 2019 through the date of Preliminary Approval or August 15, 2021, whichever date is sooner.

1.30 “PAGA Settlement” means the Settlement as it pertains to the settlement and release of Released PAGA Claims.

1.31 “PAGA Workweek” means the number of weeks each PAGA Employee worked for Defendant as an hourly-paid or non-exempt employee during the PAGA Period, which will be calculated by the Settlement Administrator by determining the number of days between the start and end dates of employment during the PAGA Period, divided by seven (7). Each PAGA Employee will be credited with at least one (1) PAGA Workweek.

1.32 “Plaintiff Gonzalez” means Pedro Gonzalez and, where appropriate, individually and on behalf of others similarly situated.

1.33 “Plan of Allocation” means the allocation of the Net Settlement Amount to Class Members, as set forth in section 6, which the TPA will determine, and which the Parties will have the right to review and approve.

1.34 “Preliminary Approval Date” means the date on which the Court enters the Preliminary Approval Order.

1.35 “Preliminary Approval Order” means the Order to be entered by this Court preliminarily approving the terms of this Settlement Agreement and the Plan of Allocation, as to the Settlement of Plaintiffs’ claims, subject to Defendants’ right to rescind this Settlement

Agreement pursuant to Section 18 of this Settlement Agreement.

1.36 “Released Claims” shall have the meaning set forth in Section 7 of this Agreement.

1.37 “Releasees” means Matchmaster Dyeing & Finishing Inc., and all related entities, their present or former officers including but not limited to William Tenenblatt, Anna Tenenblatt and Daniel Tenenblatt, and their partners, members, directors, parents, subsidiaries, affiliates, partners, insurers, reinsurers, employees, agents, attorneys, accountants, executors, administrators, customers, employees, personal representatives, heirs, successors and assigns, and any or all of them and all persons acting by, through, under, or in concert with any of them.

1.38 “Releasors” means all Participating Class Members, for themselves, and their spouses and families, attorneys, agents, executors, administrators, personal representatives, heirs, successors, any future estates, assigns and beneficiaries, and any and all of them.

1.39 “Request for Exclusion Form” means the form by which a Class Member may elect to exclude himself or herself from the Settlement as evidenced by **Exhibit “B”** to this Settlement.

1.40 “Settlement Administrator” or “TPA” means the third-party claims administration firm selected by the Parties and approved by the Court. The Parties have selected Phoenix Settlement Administrators.

1.41 “Settlement Payment” means the check(s) that will be sent to each Participating Class Member, pursuant to the process set forth in Section 6 of this Settlement Agreement.

1.42 “Workweek(s)” means the number of weeks each Class Member worked for Defendant as an hourly-paid or non-exempt employee during the Class Period, which will be calculated by the Settlement Administrator by determining the number of days between the start and end dates of employment during the Class Period, divided by seven (7). Each Class Member will be credited with at least one (1) Workweek.

2. RECITALS

2.1 Plaintiff has alleged that Defendant failed to provide employees with proper meal and rest periods and failed to pay overtime and minimum wage compensation in accordance with

California law. Plaintiff further claims that himself and the Class Members who left employment with Defendant during the Class Period were not properly paid upon termination under Labor Code §§200-203. Plaintiff further claims that Defendant, through the foregoing, failed to provide him and the Class Members with itemized wage statements under Labor Code §226(a) and §1174. Plaintiff further claims that Defendant, through the foregoing, engaged in unlawful competition and business practices in violation of the Business and Professions Code §17200, *et seq.*, and violated the Private Attorney Generals Act, Labor Code §2698, *et seq.* In addition to alleged meal break premiums, rest break premiums, and overtime compensation, Plaintiff seeks waiting time penalties under Labor Code §203, penalties for alleged failure to provide accurate itemized wage statements under Labor Code §226(e), and civil penalties as provided under PAGA. From the outset of this Action, Defendant has denied, and continues to deny, all of Plaintiff's claims, and further denies that the action is suitable to class treatment or manageable for purposes of the PAGA.

2.2 The Parties and their counsel have considered that their respective interests are best served by compromise, settlement and dismissal of the Action with prejudice and have concluded that the terms of this Settlement Agreement are fair, reasonable and adequate.

2.3 The Parties participated in mediation on March 23, 2021 with Tripper Ortman, a well-respected mediator in complex employment matters. The parties took strong opposing positions on the merits and valuation and the case did not settle that day. The parties continued to participate in settlement discussions that were facilitated by the mediator and, as a result of these discussions, have agreed to settle the issues, matters and things in dispute between and among them pursuant to the terms of this Settlement Agreement.

3. COMPROMISE ACKNOWLEDGMENT

3.1 Plaintiffs acknowledge and agree that this Settlement Agreement, and the consideration provided herein, have been and are made and received solely on the basis of a compromise of disputed claims, and that this Settlement Agreement is not, and is not to be construed as an admission by Defendant of any wrongdoing or liability whatsoever. This Settlement Agreement is not, and shall not be construed as, an admission of any act or fact

whatsoever, including any violation of federal, state, local or common law, statute, ordinance, directive, regulation or order (including executive orders). Plaintiff further acknowledges that Defendant's agreement to class treatment under California Code of Civil Procedure, Section 382, is for settlement purposes only, and will not be deemed to be an admission or concession by Defendant that collective or class treatment is or was appropriate in the Action or in any other action.

3.2 The Parties have conducted independent investigations of the facts and law during the Action, including, among other things, producing and analyzing time records, payroll data, wage, hour, and other policies and procedures and other data related to the Class, and conducting numerous interviews of current and former employees of Defendant. Class Counsel and Counsel for Defendant have further analyzed the applicable law as applied to the facts discovered regarding the allegations of the Plaintiff, Defendant's defenses thereto, and the damages claimed by the Plaintiff.

3.3 Plaintiff and Class Counsel believe that the claims asserted in the Action have merit. However, Class Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against Defendant through trial and possible appeals. Class Counsel have also taken into account the uncertain outcome and the risk of any litigation, as well as the difficulties and delays inherent in such litigation and the likelihood of protracted appellate review. As a consequence of their investigation and analyses, Class Counsel have engaged in intensive arm's length negotiations with counsel for Defendant with a view to achieving settlement. Plaintiff and Class Counsel believe that the Settlement reached confers substantial benefits upon the Plaintiff and Participating Class Members and that the Settlement is fair, reasonable, adequate, in accordance with the law, and in the best interests of the Plaintiff and Participating Class Members.

3.4 Defendant and Counsel for Defendant believe that the claims asserted in the Action are without merit. Thus, Defendant has denied and continues to deny, specifically and generally, the claims asserted in the Action and any and all liability or wrongdoing of any kind whatsoever associated with any of the facts or claims alleged in the Action, and it makes no concessions or

admissions of wrongdoing or liability of any kind whatsoever. Defendant maintains that for any purpose other than settlement, the Action is neither suitable nor appropriate for class action treatment under California Code of Civil Procedure, Section 382. Although Defendant has vigorously contested the allegations in the Action to date and denies that it committed any wrongful action or violation of law, it believes nonetheless that further litigation with respect to the Plaintiff would be protracted, expensive, and contrary to its best interests. Substantial amounts of time, energy, and other resources have been devoted to and, absent settlement, will continue to be devoted to Defendant's defense against the claims asserted by Plaintiff. In light of these realities, Defendant believes that settlement is the best way to resolve the disputes among the Parties while minimizing its own further expenditures.

3.5 The Parties understand and agree that this Settlement Agreement represents a compromise of disputed claims, and have agreed to enter into this Settlement Agreement to avoid the risks, costs, and delays associated with further proceedings. Pursuant to California Evidence Code sections 1152, 1154 and any other analogous rules of evidence that are applicable, neither the Settlement, nor any act performed or document executed pursuant to, or in furtherance of, the Settlement: (a) is or may be deemed to be or may be used as an admission or evidence of, the validity of any Released Claims, or of any wrongdoing or liability of the Releasees, or any of them; or (b) is or may be deemed to be or may be used as an admission or evidence of, any fault or omission of the Releasees, or any of them, in any civil, criminal or administrative proceeding in any court, administrative agency, or other tribunal. The Plaintiff and Class Counsel agree not to argue or present any argument, and hereby waive any argument, that Defendant could not contest (or are estopped from contesting) collective action treatment pursuant to Labor Code Section 2699, et. seq., and/or class action treatment pursuant to California Code of Civil Procedure, Section 382, or any corresponding state law or rule, on any grounds if the Court fails to enter a Judgment or a Dismissal Order. This Agreement shall not be deemed an admission by Defendant that collective action treatment pursuant to Labor Code Section 2699, et. seq., and/or class action treatment pursuant to California Code of Civil Procedure, Section 382, or any corresponding state law or rule in the Action is proper or cannot be contested on any grounds, nor shall the Agreement

be grounds for estoppel against Defendant's right to contest class or collective treatment for any purpose other than Settlement.

3.6 The Parties, through their counsel, will seek judicial approval of this Agreement. In the event this Agreement is not approved by the Court, this Agreement will no longer have any effect and the Parties will revert to litigating the Action as of the date and time immediately prior to the execution of this Agreement.

4. CERTIFICATION OF A CLASS ACTION FOR SETTLEMENT PURPOSES ONLY

4.1 The Parties stipulate, for settlement purposes only, to the certification by the Court of a class action as to all claims asserted in the Action solely against Defendant pursuant to the California Code of Civil Procedure, Section 382.

4.2 If for any reason the Court does not approve this Agreement, fails to enter the Approval Order or Dismissal Order, or fails to enter judgment pursuant to this Agreement, or if this Agreement is lawfully terminated for any other reason, Defendant shall retain the absolute right to dispute the propriety of class action certification on all applicable grounds.

5. PAYMENT AND DISTRIBUTION

5.1 In consideration for the terms, conditions and undertakings by or relating to Plaintiff and Class Members in this Agreement, and the mutual promises and covenants contained herein, Defendant will pay a GSA in the amount of Three Hundred and Fifty Thousand Dollars (\$350,000.00). This is an amount agreed to among Defendant and Plaintiff to compromise, settle and satisfy the disputed claims of Plaintiff, Class Members and PAGA Employees for all wages, damages, liquidated damages, penalties, interest, and Attorneys' Fees and Costs, as set forth herein.

5.2 The Parties agree that the individual Settlement payments to Class Members will be treated as follows: 15% shall be allocated to wages and reported for tax purposes on IRS Form W-2; 85% shall be allocated to penalties and interest and reported on IRS Form 1099. The TPA shall be responsible for issuing Class Members a form W-2 for amounts allocated to wages and a form 1099 for amounts allocated to penalties and interest. Individual Settlement Shares will be

calculated and apportioned from the Net Settlement Amount based on the Class Members' Workweeks as follows: After Preliminary Approval of the Settlement, the Settlement Administrator will divide the Net Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value to yield his or her estimated Individual Settlement Share that he or she may be eligible to receive under the Settlement. After Final Approval of the Settlement, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Class Member to yield the "Final Workweek Value," and multiply each Class Member's individual Workweeks by the Final Workweek Value to yield his or her Individual Settlement Share.

5.3 In no event shall Defendant be required to pay more than the GSA under the terms of this Settlement Agreement, except that Defendant will be responsible for paying all employer taxes on the portion of the NSA allocated to wages. Otherwise, the GSA includes all payments to Participating Class Members, Attorneys' Fees and Costs, Administrative Costs, Class Representative Enhancement Payment and the PAGA Amount. From this GSA, an award of Attorneys' Fees and Costs approved by the Court will be paid to Class Counsel in full and complete settlement of all claims for Attorneys' Fees and Costs associated with the litigation of the Action.

5.4 All counsel have the right to monitor and review administration of the Settlement to verify that the monies allocated to the Participating Class Members are distributed in the correct amount and to the proper class members, as well as ensure that proper mailing and administration is taking place.

5.5 The TPA will be responsible for processing and printing Settlement Payments and pursuant to the Plan of Allocation, for mailing the Settlement Payments to the Class Members, and for withholding from the Settlement Payments, reporting to federal and state taxing authorities, and remitting to the appropriate federal and state taxing authorities all taxes required by law.

5.6 The Parties agree (and the TPA shall warrant) that the settlement shall be administered as a qualifying, designated settlement fund pursuant to Section 468B of the Internal Revenue Code. The TPA shall be responsible for issuing all settlement payments and handling all required state and federal tax withholding and reporting related thereto.

5.7 Form 1099's and W2's shall be issued by the TPA in accordance with all applicable laws. Participating Class Members will be responsible for proper payment of individual taxes on all settlement amounts, and the Participating Class Members' share of payroll taxes shall be deducted from the portion of their payments allocated to wages. The employer's portion of payroll taxes on those payments shall be paid by Defendant outside of and in addition to the GSA.

5.8 IRS Forms 1099 shall also be issued by the TPA with respect to the payments made to Class Counsel for Attorneys' Fees and Costs.

5.9 The TPA will also issue an IRS Form 1099 to the Class Representatives for his or her Class Representative Enhancement Payment.

a. 5.10 The Parties have agreed to allocate up to Fifteen Thousand Dollars (\$15,000.00) from the GSA as consideration for resolution of Plaintiff's PAGA claims. The Parties shall apply to the Court for approval of the PAGA Amount. The Parties agree that this amount is reasonable in light of the facts and circumstances presented in the Action. If the Settlement is approved, seventy-five percent (75%) of the PAGA Amount (\$11,250.00) shall be paid from the GSA to the California Labor Workforce Development Agency ("LWDA") within fourteen (14) calendar days of the funding of the GSA by Defendants, and the remaining twenty-five percent (25%) of the PAGA Amount (\$3,750.00) shall be included in the NSA and thereafter distributed to the Participating Class Members in accordance with the terms of this Stipulation. PAGA Employees' PAGA Payment will be calculated and apportioned from the 25% of the PAGA Amount payable to PAGA Members, based on the PAGA Members' PAGA Workweeks, as follows: the Settlement Administrator will divide 25% of the PAGA Amount by the PAGA Workweeks of all PAGA Members to yield the "PAGA Workweek Value," and multiply each

PAGA Member's individual PAGA yield his or her Individual PAGA Payment.

In the event the LWDA or the Court rejects this allocation, the Parties will meet and confer with the Court and LWDA to reach a penalty allocation that is acceptable to the Parties and that does not materially alter the terms of the Stipulation or in any way increase the GSA. Class Counsel represents that the LWDA has been notified of the pendency of this action and the LWDA has elected not to pursue penalties or any other remedy for the alleged violations described in the Complaint.

5.11 Other than the withholding and reporting requirements set forth above, Plaintiff and Participating Class Members shall be solely responsible for the reporting and payment of their share of any federal, state and/or local income or other taxes, or any other withholdings, if any, on the Settlement Payments made pursuant to this Agreement.

5.12 Defendant makes no representations, and it is understood and agreed that Defendant has made no representations in the past, as to the taxability of any payments pursuant to this Agreement, including all payments to Plaintiff and Participating Class Members and all payments to Class Counsel.

5.13 All Parties represent that they have not received, and shall not rely on, advice or representations from other parties or their agents regarding the tax treatment of payments under federal, state, or local law. Any tax obligation arising from the Settlement Payments, Class Representatives' Enhancement Payment and/or Class Counsels' fees and costs made under the terms of this Agreement, other than payroll taxes for which Defendant is responsible, will be the sole responsibility of each person receiving such payment(s). The Parties further understand that the Class Representatives and any Participating Class Member who receives any individual Settlement Payment pursuant to this Stipulation shall be responsible for correctly characterizing such amounts for tax reporting purposes and solely responsible for any and all tax obligations associated with such receipt, except as may be specifically set forth herein. Individual Settlement Payments will not count as earnings or compensation for purposes of any benefit plans (e.g., 401(k) plans, retirement plans, etc.) sponsored by Defendant.

5.14 Defendant has neither control over nor obligation to allocate the GSA nor mail the Settlement Payments to the Participating Class Members and, accordingly, it is not responsible for such allocation or mailing. Plaintiff, Participating Class Members, and Class Counsel will release and hold Defendant harmless from any and all claims or causes of action, including, but not limited to, costs and attorneys' fees, arising from the allocation of the NSA or the mailing of the Settlement. Other than the withholding of employee's share of taxes with respect to the wage portion of Settlement Payments, the Class Representatives and the Class are solely responsible for the reporting and payment of the employee's share of any federal, state, and/or local income or other tax or any other withholdings due with respect to any other funds received as a part of this settlement, if any. The Class Representatives agree to defend, indemnify and hold Defendant harmless for and against any damage or tax penalty Defendant incurs as a result of the failure by the Class Representatives to pay all taxes due by his receipt of payments pursuant to this Agreement. Class Counsel agree to defend, indemnify and hold Defendant harmless for and against any damage or tax penalty Defendant incurs as a result of the failure by Class Counsel to pay all taxes due as a result of Class Counsel's receipt of payments pursuant to this Stipulation.

5.15 The Class Representative Enhancement Payment, in the amount approved by the Court, will be included in the Class Representatives' Settlement Payment. The Class Representatives will receive an IRS Form 1099 for his Enhancement Payment, which shall not be subject to withholding and/or deductions. The Class Representative Enhancement Payment to be paid to each Class Representative will be paid by the TPA from the GSA. The Class Representatives agree to provide the TPA with an executed Form W-9 before the Class Representative Enhancement Payment is issued.

5.16 In the event that the Court (or any appellate court) awards less than the amount requested for Attorneys' Fees and Costs, or less than the amount requested for Class Representative Enhancement Payment, only the awarded amounts shall be paid and shall constitute satisfaction of the obligations set forth in this Agreement and full payment thereunder. Any remaining or unawarded portion of the requested fee, cost, and/or Class Representative

Enhancement Payments shall become a part of the NSA to be allocated to the Participating Class Members pursuant to the Plan of Allocation.

5.17 Except for the fees, costs and other expenses expressly set forth herein, the Parties shall bear responsibility for their own fees, costs and expenses.

6. NOTICE OF THE SETTLEMENT AND PARTICIPATION PROCESS

6.1 Within fifteen (15) calendar days after the Preliminary Approval Date, Defendant shall provide to the TPA a list of all Class Members, including their last known address and telephone number (to the extent known), their social security number, and the Individual Weeks Worked for each Class Member (the "Class List"). The TPA shall keep all information contained in the Class List completely confidential, shall not share such information with any other person or entity (except as indicated in this paragraph below), and shall not use such information for any purposes other than those expressly described in this Stipulation. Should a Class Member request assistance from Class Counsel with respect to this Settlement, Class Counsel will be permitted to assist the Class Member, if Class Counsel needs information contained in the Class List, the TPA will be authorized to provide Class Counsel with the necessary information (only the name, contact information, and/or dates of employment) with respect to the inquiring Class Member(s) only. Upon the Effective Date, the TPA shall destroy all records (including hard copies and electronic sources of information) containing the Putative Class Members' names and/or Social Security Numbers and other personal/consumer information.

6.2. A notice of pendency of class action, proposed settlement, and hearing date for court approval ("Class Notice") in the form attached hereto as Exhibit A, and as approved by the court, shall be sent by the TPA to the Class Members, by first class mail, within seven (7) calendar days after receiving the Class Member list from Defendant. The Notice will be provided in both English and Spanish. The Notice will inform the Class Members of the court-established deadlines for filing objections and requests for exclusion, and for submitting any changes to their Individual Weeks Worked. The Notice will inform Class Members, who are also PAGA Employees and who opt out of the Class Settlement, that they will still be bound by the PAGA Settlement and Released PAGA Claims regardless of his or her choice to opt out of the Class

Settlement. Attached to the Notice will be the Request for Exclusion Form. The TPA shall mail to each Class Member a Notice Packet. In the event of returned or non-deliverable Notice Packet(s), the TPA will make reasonable efforts to locate Class Members and re-send the Notice Packet. It will be conclusively presumed that a Class Member's Notice Packet was received if the Notice Packet has not been returned within forty-five (45) calendar days of the original mailing of the Notice Packet to the Class Member. The Notice will advise each Class Member to seek his or her own personal tax advice prior to acting in response to the Notice.

6.3. At least sixteen (16) calendar days prior to the final approval hearing, the TPA will provide to counsel for all Parties a declaration of due diligence and proof of mailing with regard to the mailing of the Notice Packet.

6.4. Each Class Member will be fully advised of the Settlement and the ability to request exclusion from the Settlement or to object to the Settlement. Notwithstanding, Class Members who are also PAGA Employees and who opt out of the Class Settlement will be bound by the PAGA Settlement and Released PAGA Claims regardless of whether that Class Member opts out of the Class Settlement

6.5 The Notice to each Class Member will be agreed to by the parties and approved by the Court, and will advise each recipient that by accepting the Settlement Payment, the Class Member is (1) consenting to participate in the Action and the Settlement reached therein; and (2) releasing all state and federal wage and hour claims as set forth in Section 7 below. Settlement Payments made by the TPA to the Class Members pursuant to this paragraph shall be reduced by all applicable withholdings and payroll taxes, as set forth above in paragraph 5.2.

6.6 Before mailing the Notices to the Class Members, the TPA shall check the last known addresses of the Class Members by checking them against the National Change of Address database.

6.7 Any Notices returned to the TPA as undelivered and bearing a forwarding address shall be re-mailed by the TPA to the forwarding address. For any Notices returned to the TPA without a forwarding address, the TPA shall conduct one address search using a skip trace to locate a correct address. Defendant shall provide all reasonably available information from their

records for class members necessary to conduct these mailings and searches, including last known addresses and social security numbers. One supplemental Notice will be mailed to each Class Member whose Notice is returned to the TPA within three (3) days following receipt of the returned mail. All Class Members and PAGA Employees to whom Notices are re-mailed shall have thirty (30) calendar days from the date of the re-mailing to submit a dispute of weeks worked, opt-out, or object to the settlement, as applicable. In the event that the procedures set forth herein are followed and an intended recipient of a Notice still does not receive the Notice, the intended recipient shall nevertheless remain a Participating Class Member and will be bound by all terms of the Settlement and the order granting Final Approval by the Court. Compliance with the procedures described this paragraph shall constitute due and sufficient notice to Class Members and shall satisfy the requirements of due process.

6.8 Class Members who dispute the basis for determining their share are entitled to submit documentation to support their dispute. The Parties agree that if any Class Member disputes the basis for determining his or her share of the Settlement Payment, Defendant's records will presumptively control but may be disputed by records provided by the Class Member. The parties further agree that any dispute that cannot be resolved by Class Counsel and Counsel for Defendant will be resolved by the TPA. Any necessary adjustments to the shares of payment to Class Members will be made before the checks are sent to those individuals, and will not increase the total payment by Defendant beyond the GSA.

6.9 To the extent a Class Member or PAGA Employees disputes the information related to his or his Individual Weeks Worked, the Class Member must submit a challenge to the TPA within forty-five (45) calendar days after the mailing of the Notice Packet with any documentation showing the weeks he or she contends should have been shown on the form. Defendant's records will be presumed determinative. The Parties will meet and confer to evaluate the evidence submitted by the Class Member. If the Parties cannot agree, the dispute will be submitted to the court whose decision as to which information should be applied will be final and binding. 6.10 The Notice shall inform Class Members that to exclude themselves from the Class they must submit a signed Request for Exclusion Form to the TPA no later than forty-five (45)

calendar days after the original mailing of the Notice Packet. The Request for Exclusion Form must be returned to the TPA's address provided in the Notice, and must be postmarked on or before the exclusion deadline. The Request for Exclusion Form should state, in effect, the following: "I WISH TO BE EXCLUDED FROM THE SETTLEMENT IN THE CLASS ACTION LAWSUIT. I UNDERSTAND BY REQUESTING EXCLUSION FROM THE SETTLEMENT, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THE LAWSUIT" or otherwise provide a clear statement that the Class Member wishes to be excluded from the settlement. Any Class Member who properly requests exclusion using this procedure will not be entitled to any payment from the settlement and will not be bound by the settlement or have any right to object, appeal or comment thereon. Unsigned requests to be excluded from the settlement, or those postmarked after the deadline will not be honored. Class Members who fail to submit a valid and timely request for exclusion on or before the exclusion deadline date shall be deemed to have opted into the settlement of the Class Members' Released Claims, and shall be bound by all terms of the settlement and any order of dismissal entered in the Action, regardless of whether they ineffectively or untimely request exclusion from the settlement. The Parties agree that notwithstanding a Class Member's request to be excluded from the Settlement, he or she will still receive a pro rate share of the PAGA Amount for any alleged PAGA penalty owed to him/her.

6.11 The Settlement Administrator will calculate the amount of Settlement Payment each Class Member will be entitled to receive by dividing each Class Member's number of Individual Work Weeks by the total number of Work Weeks for all Participating Class Members to arrive at the individual percentage of the NSA. The NSA will be multiplied by the applicable individual percentage for each Class Member which will be the gross amount to be received by the Individual Class Member, from which all appropriate deductions will be taken.

6.12 In order to object to the settlement, a Class Member must not have excluded himself or herself from this settlement, and must serve his objection on the TPA no later than forty-five (45) calendar days after the mailing of the Notice.

6.13 The Parties agree that the payment of Three Hundred and Fifty Thousand dollars (\$350,000.00) will be made within thirty (30) calendar days after the Final Approval Date. In the event that no written objections were filed prior to the Final Approval Hearing, or that any filed written objections were withdrawn prior to the Final Approval Hearing, the Court's Judgment shall become final upon entry.

6.14 The TPA will make the following payments: Attorney Fees and Costs; Class Representative Enhancement Payment; Claims Administrative Costs; the portion of the PAGA Amount to be paid to the LWDA; Settlement Payments to Participating Class Members; and required withholdings and payroll taxes, as set forth below in this Section.

6.15 The TPA will mail all required Settlement Payments no later than fourteen (14) calendar days after receipt of the payment from Defendant. The settlement checks shall include release language acceptable to Plaintiff and Defendant. Proof of payment will be provided to Class Counsel who will file it with the court if requested.

6.16 Settlement checks issued to the Class Representatives and Participating Class Members shall remain valid for one hundred and eighty (180) calendar days from the date of issuance. This expiration or cancellation date shall be clearly printed on the front of the check ("Void Date"). If Class Representatives or Participating Class Member(s) do not cash his or her settlement payment check(s) before the Void Date, his or her settlement check(s) will be voided and a stop payment will be placed on it. Settlement checks can be reissued to Participating Class Members upon request within this 180-day period but any reissued checks shall have the same Void Date as the original settlement check. Those Participating Class Members who fail to cash their settlement checks will be deemed to have waived irrevocably any right in or claim to a settlement share but the Settlement Agreement shall remain binding upon them.

6.17 Before the entry of a judgment in a class action pursuant to Section 382 that provides for the payment of money to members of the class, the Court shall determine the total amount that will be payable to all class members if all class members are paid the amount to which they are entitled pursuant to the judgment. Defendant shall not be required to pay more than the Gross Settlement Amount. The Court shall also set a date when the parties shall report

to the Court the total amount that was actually paid to the class members. After the report is received, the Court shall amend the judgment to direct the Settlement Administrator to pay the sum of the unpaid residue or unclaimed or abandoned class member funds to Family Promise (<https://familypromise.org>), a national nonprofit organization and section 501(c)(3) tax exempt organization that serves homeless and low income families (including children) and qualifies under California Code of Civil Procedure section 384's definition of permissible cy pres recipients ("child advocacy programs, or to nonprofit organizations providing civil legal services to the indigent.")

6.18 Notice of Final Judgment will be posted on the TPA's website.

7. **RELEASE**

7.1 As further defined below, Class Members will be deemed to release Defendant from the claims set forth below in this Section (collectively referred to as "Released Claims"), which arose at any time during the Class Period up until the Approval Date.

7.2 Upon the Effective Date, all Participating Class Members will be deemed to have, and by operation of the Order of Final Approval will have, expressly waived and relinquished, to the fullest extent permitted by law, all claims, obligations, rights, charges, complaints, liens, demands, causes of action, obligations, damages and liabilities, whether known or unknown, that each Participating Class Member had, now has, or may hereafter claim to have against the Releasees, arising at any time between September 2, 2016, through the date the Preliminary Approval is granted, out of, or relating in any way to, the facts, legal theories and alleged causes of action in the First Amended Complaint, including, but not limited to, the allegation that: (1) Defendant did not provide compliant meal periods; (2) Defendant did not allow employees to take a rest period for every three and a half (3.5) hours of work; (3) Defendant did not compensate employees for all hours and/or overtime hours actually worked by them; (4) and Defendant did not compensate minimum wage(s) for off the clock work; (5) Defendant did not properly pay employees at the time of discharge; (6) Defendant did not provide accurate wage statements; and (7) Plaintiff is owed PAGA penalties. The "Released Claims" include, to the extent permitted by law: (a) any claims and causes of action, whether known or unknown, that were or could have

been alleged or asserted based on the facts asserted in the First Amended Complaint; (b) any claims alleged and those that could have been alleged based on the facts asserted in the First Amended Complaint under the California Labor Code, including but not limited to Sections 201-204, 210, 216, 218, 218.5, 218.6, 225.5, 226, 226.3, 226.7, 432, 510, 512, 515, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 2698 et seq. (“PAGA”), the applicable Industrial Welfare Commission Wage Orders, and all related or corresponding federal laws, including without limitation the Fair Labor Standards Act, and all implementing regulations and interpreting guidance; (c) any claims that were or could have been brought under California Business & Professions Code section 17200, et seq. as unlawful, fraudulent or misleading based on the claims, facts and allegations alleged in the Action (including, but not limited to, claims of conduct unlawful under state or federal law); and (d) any other causes of action that could have been made based on the facts alleged in the First Amended Complaint that are based on or relate to the alleged nonpayment of compensation or overtime compensation, meal or rest period violations, improper wage statements, failure to pay wages due upon termination, or unfair business practices, including related premiums, penalties, interest, punitive damages, costs, attorney’s fees, injunctive relief, declaratory relief, or accounting, whether such causes of action are in tort, contract, or pursuant to a statutory remedy.

7.3 The Class Members will be deemed to have affirmatively opted into the release of FLSA claims once their settlement check is cashed. The settlement checks will contain a notation advising Class Members that cashing of the check amounts to an affirmative opt-in to the release of FLSA claims.

7.4 In addition to the Released Claims, the Class Representatives release any and all claims, known or unknown, contingent or accrued, including a release under California Civil Code section 1542, against the Releasees, arising out of any act or event that occurred prior to execution of the release. The Class Representatives waive all rights and benefits afforded by Section 1542 of the California Civil Code, and does so understanding the significance of that waiver. Section 1542 provides:

A general release does not extend to claims which 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.

The Class Representatives may hereafter discover facts in addition to or different from those which they now know or believe to be true with respect to the subject matter of the Released Claims, but stipulates and agrees that he,, upon the Effective Date, fully, finally and forever settle and release any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed upon any theory of law or equity and without regard to the subsequent discovery or existence of such different or additional facts.

The Class Representatives further represent that they have not assigned their rights to any person or entity and that they will not cooperate with, help, bring, counsel, aid, or in any manner assist any person or entity in filing or pursuing a claim, complaint, action, debt, promise, demand, grievance, cause of action, obligation, damage, liability, or charge against Defendants, except as required by law.

7.5 Further, the Class Representatives individually, acknowledge that they are knowingly and voluntarily waiving and releasing any rights he or she may have under the Age Discrimination in Employment Act (“ADEA”). Plaintiff Pedro Gonzalez, individually, also acknowledges that the consideration given for the waiver and release in this Stipulation is in addition to anything of value to which they were already entitled. Plaintiff Pedro Gonzalez individually, further acknowledges that he has been advised in writing, as required by the Older Workers’ Benefit Protection Act, that: (a) the waiver and release do not apply to any rights or claims that may arise after the Effective Date; (b) they should consult with an attorney prior to executing this Stipulation; (c) they have at least forty-five (45) calendar days to consider this Stipulation (although they may execute this Stipulation earlier); (d) they have seven (7) calendar days following the execution of this Stipulation to revoke the Stipulation; and (e) this Stipulation shall not be effective until the date upon which the revocation period has expired. Plaintiff

Gonzalez individually, may revoke the release, by way of this Stipulation, of any rights he may have under ADEA by giving formal written notice of revocation to: Joel P. Kelly at Jackson Lewis P.C. 725 South Figueroa St. Suite 2500 Los Angeles, California 90017 to be received by the close of business on the seventh day following the later of Plaintiff Gonzalez's individual execution of this Stipulation.

7.6 In connection with the above Release, and in consideration of Defendant's payments of the sums provided herein, each and every Participating Class Member will be deemed also to have acknowledged and agreed that California Labor Code section 206.5 is not applicable to the Parties hereto or the Participating Class Members because there is a good faith dispute as to whether any wages are due at all to any Class Member. Section 206.5 provides in pertinent part as follows:

AN EMPLOYER SHALL NOT REQUIRE THE EXECUTION OF A RELEASE OF A CLAIM OR RIGHT ON ACCOUNT OF WAGES DUE, OR TO BECOME DUE, OR MADE AS AN ADVANCE ON WAGES TO BE EARNED, UNLESS PAYMENT OF THOSE WAGES HAS BEEN MADE.

8. DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

8.1 Promptly upon execution of this Agreement, Plaintiff shall apply to the Court for the entry of a Preliminary Approval Order:

8.1.1 Certifying with respect to Defendant class action for settlement purposes only;

8.1.2 Approving the terms of this Settlement Agreement and the Plan of Allocation; and

8.1.3 Approving the payment of Attorneys' Fees and Costs and the Enhancement Payments set forth in this Settlement Agreement.

8.2 If any deadlines related to this Settlement Agreement cannot be met, Class Counsel and Counsel for Defendants shall meet and confer to reach agreement on any necessary revisions of the deadlines and timetables set forth in this Settlement Agreement. In the event that the Parties fail to reach such agreement, any of the Parties may apply to the Court via a noticed motion for modification of the dates and deadlines in this Settlement Agreement.

9. PARTIES' AUTHORITY

9.1 The signatories represent that they are fully authorized to enter into this Agreement and to bind the Parties hereto to the terms and conditions hereof.

9.2 All of the Parties acknowledge that they have been represented by competent, experienced counsel throughout all negotiations which preceded the execution of this Settlement Agreement, and this Settlement Agreement is made with the consent and advice of counsel who have jointly prepared this Settlement Agreement.

10. MUTUAL AND FULL COOPERATION

10.1 The Parties shall use their best efforts and agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement and effectuate the terms of this Settlement Agreement.

10.2 Class Counsel agrees to use their best efforts to encourage Class Members to accept and opt into the Settlement. Class Counsel represents that they are not presently aware of any Class Members who have stated a desire to opt out of the Settlement.

10.3 Neither Defendant, Class Representatives, nor their attorneys, agents, employees or representatives, shall encourage Class Members to opt-out of the Settlement.

11. NOTICES

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

To Plaintiff:

A. Jacob Nalbandyan, Esq. (SBN 272023)
Vanoochi Torossian, Esq. (SBN 328536)
LEVIN & NALBANDYAN, LLP
811 Wilshire Boulevard, Suite 800
Los Angeles, California 90017
Telephone: (213) 232-4848
Facsimile: (213) 232-4849
Email: jnalbandyan@LNTrialLawyers.com

To Defendant:

Joel P. Kelly, Esq. (SBN 285290)
Arlen Gharibian, Esq.
JACKSON LEWIS P.C.
725 South Figueroa St. Suite 2500
Los Angeles, CA 90017
Joel.Kelly@jacksonlewis.com

12. MODIFICATION

12.1 This Settlement Agreement and its attachments may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court.

13. ENTIRE AGREEMENT

13.1 This Settlement Agreement and its attachments constitute the entire agreement between the Parties concerning the subject matter hereof. No extrinsic oral or written representations or terms shall modify, vary or contradict the terms of this Settlement Agreement. In the event of any conflict between this Settlement Agreement and any other Settlement-related document, the Parties intend that this Settlement Agreement shall be controlling.

14. CHOICE OF LAW/JURISDICTION

14.1 This Settlement Agreement shall be subject to, governed by, construed, enforced, and administered in accordance with the laws of the State of California, both in its procedural and substantive aspects, and shall be subject to the continuing jurisdiction of the Court. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arm's-length negotiations between the Parties and that this Settlement Agreement shall not be construed in favor of or against any of the Parties by reason of their participation in the drafting of this Settlement Agreement.

15. COUNTERPARTS

15.1 This Agreement may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties, subject to Court approval.

16. PUBLIC COMMENT

16.1 Plaintiff and their counsel agree that they have not and will not publish the instant Settlement Agreement. In response to any inquiries, Plaintiff will state that "the case was resolved and it was resolved confidentially." Despite this provision, Plaintiff's counsel can discuss the short form settlement agreement signed at mediation and the instant Settlement Agreement with

Plaintiff, the Putative Class, or the Court for purposes of enforcement or approval of the settlement.

17. VOIDING THE AGREEMENT

17.1 In the event this Agreement, or any amended version agreed upon by the Parties does not obtain judicial approval for any reason, this Agreement shall be null and void in its entirety, unless expressly agreed in writing by all Parties.

17.2 In the event of any finding or ruling by this Court or an appellate court in this Action that directly or indirectly modifies or affects (a) the extent or scope of the Released Claims provided for in this Agreement; or (b) the GSA to be paid by Defendant pursuant to this Agreement, Defendant shall have the absolute discretionary right to terminate the Settlement and this Agreement through written notice to Class Counsel within fourteen (14) calendar days of receipt of notice of such finding or ruling. The above notwithstanding, the Parties agree that should the Court modify the Agreement in such a way that would otherwise cause Defendant to terminate the Agreement, the Parties will, within the above indicated fourteen (14) calendar day period meet and confer in a good faith attempt to reach agreement and thereby preserve the Agreement.

18. RIGHT TO RESCISSION

18.1 If the total number of Class Members who request to be excluded from the Settlement and/or from the Class is more than twenty (20) individuals, Defendant will have the option, at its sole discretion, of rejecting the Settlement in its entirety; provided, however, that such option must be exercised within fourteen (14) business days after being notified by the Settlement Administrator of the number of Class Members who have timely requested exclusion. If this option is exercised by Defendant, the Settlement will be void and unenforceable in its entirety and the order conditionally certifying the Class shall be vacated and be deemed void.

19. PLAINTIFF'S CERTIFICATIONS

19.1 Plaintiff hereby certifies that:

19.1.1 They have signed this Agreement voluntarily and knowingly in exchange for the consideration described herein, which they acknowledge is adequate and satisfactory;

19.1.2 They have been advised by their attorneys and have consulted with their attorneys before signing this Agreement;

19.1.3 They have been given adequate time to review and consider this Agreement, to discuss it with an attorney of their own choosing, and to decide whether or not to sign it; and

19.1.4 Neither Defendant nor any of their agents, representatives, employees, or attorneys, have made any representations to the Plaintiff concerning the terms or effects of this Settlement Agreement other than those contained herein.

20. ENFORCEMENT OF THE SETTLEMENT AGREEMENT

20.1 Even after the Order of final judgment and notwithstanding it, this Court will have and retain continuing jurisdiction over the Action and over all Parties and Class Members under Civil Code §664.6, to the fullest extent necessary or convenient to enforce and effectuate the terms and intent of this Settlement and all matters provided for in it, and to interpret it. In the event that one or more of the Parties to this Settlement Agreement institutes any legal action, arbitration, or other proceeding against any other party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have duly executed this Settlement Agreement as of the date indicated below:

PLAINTIFF

Dated: 7/15/2021

DocuSigned by:



CB0CEC6E4ACC4DE...

PEDRO GONZALEZ

Plaintiff and Representative of the Proposed Class

DEFENDANT

Dated: _____

Daniel Tenenblatt

Vice President

MATCHMASTER DYEING & FINISHING

Approved as to form and content:

LEVIN & NALBANDYAN, LLP



Dated: July 15, 2021

A. JACOB NALBANDYAN

VANOOHI TOROSSIAN

Counsel For Plaintiff

PEDRO GONZALEZ, and the Proposed Class and
Aggrieved Employees

JACKSON LEWIS P.C.

Dated: _____

JOEL P. KELLY

Counsel for Defendants

MATCHMASTER DYEING & FINISHING INC.

IN WITNESS WHEREOF, the undersigned have duly executed this Settlement Agreement as of the date indicated below:

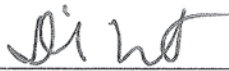
PLAINTIFF

Dated: _____

PEDRO GONZALEZ
Plaintiff and Representative of the Proposed Class and on
Behalf of Aggrieved Employees

DEFENDANT

Dated: 7/12/2021



Daniel Tenenblatt
Vice President
MATCHMASTER DYEING & FINISHING, INC.

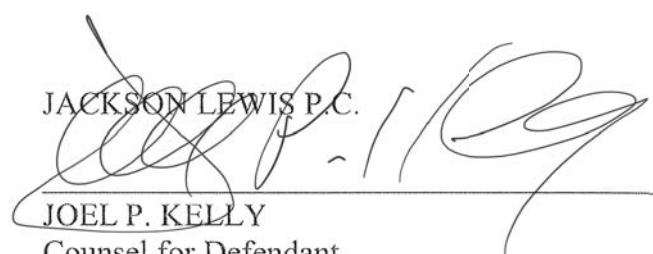
Approved as to form and content:

LEVIN & NALBANDYAN, LLP

Dated: _____

A. JACOB NALBANDYAN
VANOCHI TOROSSIAN
Counsel For Plaintiff
PEDRO GONZALEZ, and the Proposed Class and
Aggrieved Employees

Dated: 7/12/2021

JACKSON LEWIS P.C.


JOEL P. KELLY
Counsel for Defendant
MATCHMASTER DYEING & FINISHING INC.

EXHIBIT A

**NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED SETTLEMENT, AND HEARING
DATE ("CLASS NOTICE")**

Matchmaster Dyeing & Finishing, Inc.
Superior Court of the State of California, County of Los Angeles
Case No. 20STCV07271

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the settlement, object to the settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.

You have received this Notice because the records of Matchmaster Dyeing & Finishing, Inc. ("Defendant") indicate that you worked as a non-exempt employee for Defendant at its facilities during the applicable Class Period of September 2, 2016 through [REDACTED] and you are therefore eligible to participate in the Settlement described in this Notice.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Pedro Gonzalez ("Plaintiff") and Defendant (Plaintiff and Defendant are collectively referred to as the "Parties") in the case entitled *Jovanni Flores Julio v. Matchmaster Dyeing & Finishing, Inc.*, Los Angeles County Superior Court, Case No. 20STCV07271 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" means all hourly non-exempt individuals who are or were employed by Defendant in California during the Class Period.

"Class Member" means a member of this Class.

"Class Period" means the time period from September 2, 2016 through [REDACTED]. [August 15, 2021 or Approval Date]

"PAGA Employee" means all Class Members who were employed by Defendant at any time in during the PAGA Period.

"PAGA Period" means the time period from February 28, 2019 through [REDACTED]. [August 15, 2021 or Approval Date]

II. BACKGROUND OF THE LAWSUIT

On February 25, 2020, Jovanni Flores Julio commenced a putative class action lawsuit by filing a Class Action Complaint for Damages ("Complaint") in the Los Angeles County Superior Court. Thereafter, Pedro Gonzalez ("Plaintiff") replaced Jovanni Flores Julio as a class representative in this Action. Plaintiff alleges that Defendant failed to provide meal and rest periods and associated premiums, timely pay wages during employment and upon termination and associated waiting-time penalties, provide accurate wage statements, and thereby engaged in unfair business practices and conduct that gives rise to penalties under the Private Attorneys General Act of 2004 ("PAGA"). Plaintiff seeks, among other things, recovery of meal and rest period premiums, restitution, penalties, interest, and attorneys' fees and costs.

Defendant denies all of the allegations in the Lawsuit or that it violated any law.

The Parties participated in a full-day mediation session with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into the Joint Stipulation of Class Action and PAGA Settlement and Release ("Settlement," "Agreement," or "Settlement Agreement").

On [date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Phoenix Settlement Administrator as the administrator of the Settlement ("Settlement Administrator"), Plaintiff Pedro Gonzalez as representatives of the Class ("Class Representatives"), and the following Plaintiffs' attorneys as counsel for the Class ("Class Counsel"):

Plaintiff's Attorneys

A. Jacob Nalbandyan
Vanoochi Torossian
LEVIN & NALBANDYAN
811 Wilshire, Suite 800
Los Angeles, CA 90017
Phone: (213) 232-4848

If you are a Class Member, you do not need to take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Settlement (in which case you will not receive an Individual Settlement Payment), object to the Settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Section III below.

The settlement represents a compromise and settlement of highly disputed claims. Nothing in the settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiff or to the other Class Members. Rather, Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members and Defendant.

2. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The maximum settlement amount is Three Hundred Fifty Thousand Dollars and Zero Cents (\$350,000.00) (the "Total Settlement Amount" or "TSA"). The portion of the Total Settlement Amount that is available for payment to Class Members is referred to as the "Net Settlement Amount." The settlement administrator will issue individual payments to all participating class members once it is completely funded. Defendant will make full and final payment of Three Hundred and Fifty Thousand Dollars within 30 days of the date on which the Final Approval Order becomes final ("Effective Date"). In the event that no written objections are filed prior to the Final Approval Hearing, or that any filed written objections are withdrawn prior to the Final Approval Hearing, the Court's Judgment shall become final upon entry.

The following sums to be paid from the TSA, which will result in the Net Settlement Amount are as follows(1) Attorneys' Fees and Costs, consisting of attorneys' fees in an amount not to exceed 33.33% of the Total Settlement Amount (i.e., \$116,666.67) and reimbursement of litigation costs and expenses in an amount not to exceed Fifteen Thousand Dollars (\$15,000) to Class Counsel; (2) Enhancement Payment in an amount not to exceed Seven Thousand Five Hundred (\$7,500) for his services in the Action; (3) payment to the California Labor and Workforce Development Agency ("LWDA") in the amount of Eleven Thousand Two Hundred Fifty Dollars (\$11,250) for its 75% portion of the PAGA Allocation ("LWDA Payment"); and (4) Settlement Administration Costs in an amount not to exceed Ten Thousand Dollars (\$10,000) to the Settlement Administrator. **Note:** a total of Fifteen Thousand Dollars (\$15,000) from the Total Settlement Amount has been allocated toward penalties under the Private Attorneys General Act ("PAGA Allocation"), of which the LWDA will be paid 75% and the remaining 25% (i.e., Three Thousand Seven Hundred Fifty Dollars (\$3,750)) will be a part of the Net Settlement Amount for distribution to Settlement Class Members who may also qualify to receive funds from this 25% allocation ("PAGA Payment")

Class Members are eligible to receive payment under the Settlement of their *pro rata* share of the Net Settlement Amount ("Individual Settlement Share") based on the number of weeks that each Class Member was credited to have worked for Defendant as an hourly-paid or non-exempt employee during the Class Period ("Workweeks"), which will be calculated by the Settlement Administrator by determining the number of days between the start and end dates of employment during the Class Period, divided by seven (7).

The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek Value," and multiplied each Class Member's individual Workweeks by the Estimated Workweek Value to yield his or her estimated Individual Settlement Share that he or she may be eligible to receive under the Settlement (which is listed in Section III.C below). Class Members who do not submit a valid and timely Request

for Exclusion (“Settlement Class Members”) will be issued payment of their final Individual Settlement Share.

Each Individual Settlement Share will be allocated as 15% wages which will be reported on an IRS Form W-2 and 85% as penalties and interest and reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of Individual Settlement Shares, resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”).

PAGA Employees will receive payment under the Settlement of their *pro rata* share of the PAGA Payment (“Individual PAGA Payment”) based on the number of weeks that each PAGA Employee was credited to have worked for Defendant as an hourly-paid or non-exempt employee during the PAGA Period (“PAGA Workweeks”), which will be calculated by the Settlement Administrator by determining the number of days between the start and end dates of employment during the PAGA Period, divided by seven (7).

The Settlement Administrator has also divided the PAGA Payment by the PAGA Workweeks of all PAGA Employees to yield the “Estimated PAGA Workweek Value,” and multiplied each PAGA Employee’s individual PAGA Workweek by the Estimated PAGA Workweek Value to yield his or her estimated Individual PAGA Payment that he or she may be eligible to receive under the Settlement (which is listed in Section III.D below). ***NOTE: If you elect to submit a Request for Exclusion and exclude yourself from the receiving an Individual Settlement Share, you will not be excluded from receiving a PAGA Payment and releasing your PAGA claim against Defendant for the PAGA Period.***

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Total Weeks Worked Will be Based on Defendants’ Records

According to Defendant’s records:

From From September 2, 2016 to _____ [August 15, 2021 or Approval Date], you worked for Defendant as an hourly-paid or non-exempt employee in California for [_____] Workweeks.

If you wish to dispute the Workweeks credited to you, you must submit your dispute by way of written letter that is sent to the Settlement Administrator within 45 calendar days after the mailing of this Notice. The written letter must: (a) contain the case name and number of the Lawsuit (*Jovanni Flores Julio v. Matchmaster Dyeing & Finishing, Inc.*, Case No. 20STCV07271); (b) be signed by you; (c) contain your full name, address, telephone number, and the last four digits of your Social Security Number; (d) clearly state that you dispute the number of Workweeks credited to you and what you contend is the correct number to be credited to you; (e) include information and/or attach documentation demonstrating that the number of Workweeks that you contend should be credited to you is correct; and (f) be returned by mail to the Settlement Administrator at the address specified in Section IV.B below, postmarked **no later than [the Response Deadline]**.

C. Your Workweeks Based on Defendant’s Records

As explained above, your estimated Individual Settlement Share is based on the number of Workweeks credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$_____. The Individual Settlement Share is subject to reduction for the employee’s share of taxes and withholding with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share reflected in this Notice is only an estimate. Your actual Individual Settlement Payment may be higher or lower.

D. Your PAGA Workweeks Based on Defendant’s Records

As explained above, your estimated Individual PAGA Payment is based on the number of PAGA Workweeks credited to

you.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED]. The Individual PAGA Payment is subject to reduction for the employee's share of taxes and withholding with respect to the wages portion of the Individual PAGA Payment and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual PAGA Payment reflected in this Notice is only an estimate. Your actual Individual PAGA Payment may be higher or lower.

E. Release of Claims

Upon the Effective Date and full funding of the Total Settlement Amount, Plaintiff and all Class Members who do not submit a valid and timely Request for Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Claims he or she may have or had.

"Released Claims" means any and all claims and damages arising from any of the facts alleged in Plaintiff's Complaint during the Class Period, including Defendant's alleged failure to provide meal and rest periods, failure to issue accurate itemized wage statements, and violation of California Business and Professions Code sections 17200, *et seq.*, for, *inter alia*, provide meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide compliant wage statements, and maintain complete and accurate payroll records, and well as all claims and penalties under the Private Attorneys General Act of 2004 arising from any of the facts alleged in the Complaint during the PAGA Period.

"Released Parties" means Defendant, and all its present and former parent companies and trusts, subsidiaries, divisions, related or affiliated companies and trusts, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns.

3. WHAT ARE YOUR RIGHTS AS A CLASS MEMBER?

A. Settlement Participation

If you want to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Settlement.

Unless you elect to exclude yourself from the Settlement, you will be bound by the terms of the Settlement and any judgment that may be entered by the Court based thereon, and you will release the claims described in Section III.E above. As a Class Member, you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Settlement

If you do not wish to participate in the Settlement, you must seek exclusion from the Settlement. You may do this by either filling out and submitting the Request for Exclusion From Settlement Form included with this notice or by submitting a written request ("Request for Exclusion") to the Settlement Administrator, which must (a) contain the case name and number of the Action (*Jovanni Flores Julio v. Matchmaster Dyeing & Finishing, Inc.*, Case No. 20STCV07271); (b) be signed by you; (c) contain your full name, address, telephone number, and the last four digits of your Social Security Number; (d) contain a statement clearly indicating that you do not wish to be included in the Settlement; and (e) be submitted to the Settlement Administrator by mail, postmarked **no later than [Response Deadline]**, at the following mailing address:

[Settlement Administrator]
[Mailing Address]

If the Court grants final approval of the Settlement, any Class Member who submits a valid and timely Request for Exclusion

will not be entitled to receive any payment from the Settlement, will not be bound by the Settlement (and the release of claims described in Section III.E above), and will not have any right to object to, appeal, or comment on the Settlement. Any Class Members who do not submit a valid and timely Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Settlement, including those pertaining to the release of claims described in Section III.E above, as well as any judgment that may be entered by the Court based thereon.

NOTE: If you elect to submit a Request for Exclusion and exclude yourself from the receiving an Individual Settlement Share, you will not be excluded from receiving a PAGA Payment and releasing your PAGA claim against Defendant for the PAGA Period.

C. Objection to Settlement

You can object to the terms of the Settlement as long as you have not submitted a Request for Exclusion, by submitting a written objection (“Notice of Objection”) to the Settlement Administrator or presenting your objection at the Final Approval Hearing.

A Notice of Objection must: (a) contain the case name and number of the Action (*Jovanni Flores Julio v. Matchmaster Dyeing & Finishing, Inc.*, Case No. 20STCV07271); (b) contain your full name, signature, address, and telephone number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be mailed to the Settlement Administrator at the address listed in Section IV.B above, postmarked **no later than [Response Deadline]**.

If you choose to submit a written objection to the terms of this settlement, you may also appear in the Action *in propria persona* (meaning you choose to represent yourself) or through your own attorney. To do so, you or your counsel should file an Entry of Appearance with the Clerk of the Superior Court of the State of California, County of Los Angeles, and deliver copies to counsel for Plaintiff and counsel for Defendants for in the Action. Such entry of appearance should be filed with the Court and delivered to those attorneys no later than [redacted], which is thirty (30) days after the date of the initial mailing of this Notice. You will then continue as a Class Member either *in propria persona* or with representation by your own attorney, and you will be solely responsible for the fees and costs of your own attorney.

The Court will hear any Class Member who appears at the Final Approval Hearing and asks to speak regarding an objection to the settlement regardless of whether that Class Member has submitted a written objection or notice of intention.

4. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 06 of the Los Angeles County Superior Court, located at 600 South Commonwealth Avenue, Los Angeles, California 90012, on [date], at [time], to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Attorneys’ Fees and Costs to Class Counsel, Enhancement Payments to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator.

The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear remotely if you wish to.

6. ADDITIONAL INFORMATION

The pleadings and other records in the Action may be examined at any time during regular business hours at the Office of the Clerk of the Superior Court of the State of California, with the Clerk of the Superior Court of the State of California, County of Los Angeles — Civil Division, 111 Hill Street, Los Angeles, CA 90012. Information on the Action and its status, along with copies of case documents, can be viewed and requested through the Court’s Case Inquiry System for a fee at:

<http://www.lacourt.org/casesummary/ui/>

If you enter the Action’s case number (BC664027).

If you have questions about the settlement, you may contact the Settlement Administrator or Class Counsel. The contact information for the Settlement Administrator and Class Counsel is included in this notice above.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.

EXHIBIT B

REQUEST FOR EXCLUSION FROM SETTLEMENT

Matchmaster Dyeing & Finishing, Inc.
Superior Court of the State of California, County of Los Angeles
Case No. 20STCV07271

IF YOU WANT TO BE INCLUDED IN THIS CLASS ACTION SETTLEMENT, DO NOT FILL OUT THIS FORM.

IF YOU DO NOT WANT TO BE INCLUDED IN THIS CLASS ACTION SETTLEMENT, YOU MUST SIGN THIS DOCUMENT AND MAIL IT TO THE ADDRESS BELOW, POST MARKED NOT LATER THAN [REDACTED]. IT MUST BE MAILED TO:

Flores Julio v. Matchmaster Dyeing & Finishing, Inc.
c/o Phoenix Settlement Administrators
[Address]

I declare as follows:

I am or was employed as an hourly, non-exempt employee of Matchmaster Dyeing & Finishing, Inc. ("Defendant") during the applicable Class Period of September 2, 2016 through [REDACTED]. I have received Notice of the proposed Settlement in this Action. I WISH TO BE EXCLUDED FROM THE SETTLEMENT IN THE CLASS ACTION LAWSUIT. I UNDERSTAND BY REQUESTING EXCLUSION FROM THE SETTLEMENT, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THE LAWSUIT

Dated: _____

Signature: _____

Printed Name: _____

Last 4 of SSN: _____

Street Address: _____

City, State, Zip Code: _____

Telephone Number
Including Area Code: _____