

GAINES & GAINES, APLC
DANIEL F. GAINES, ESQ. SBN 251488
daniel@gaineslawfirm.com
ALEX P. KATOFISKY, ESQ. SBN 202754
alex@gaineslawfirm.com
EVAN S. GAINES, ESQ. SBN 287668
evan@gaineslawfirm.com
27200 Agoura Rd., Suite 101
Calabasas, CA 91301
Telephone: (818) 703-8985
Facsimile: (818) 703-8984J

Attorneys for Plaintiff Kayla Weinreich

BOUTIN JONES INC.
Bruce M. Timm (SBN 199679)
Kimberly A. Lucia (SBN 266503)
Andrew M. Ducart (SBN 293714)
555 Capitol Mall, Suite 1500
Sacramento, CA 95814
Telephone: (916) 321-4444
Fax: (916) 441-7597
Email: btimm@boutinjones.com
klucia@boutinjones.com
aducart@boutinjones.com

Attorneys for Defendant 4LEAF, Inc.

SUPERIOR COURT OF CALIFORNIA

COUNTY OF BUTTE

KAYLA WEINREICH, individually and on
behalf of all similarly situated individuals,

Plaintiff,

v.

4LEAF INC., a California corporation, and
DOES 1 through 10, inclusive,

Defendants.

Case No. 21CV01146

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

STIPULATION OF SETTLEMENT OF CLASS ACTION AND RELEASE OF CLAIMS

This Stipulation of Settlement of Class and PAGA Claims and Release of Claims (the “Agreement”) is entered into by and between Plaintiff Kayla Weinreich (“Plaintiff”), individually and on behalf of the Settlement Class, and in her representative capacity on behalf of the State of California and the PAGA Members, and Defendant 4LEAF, Inc. (“Defendant”).

I. RECITALS

A. On May 4, 2021, Plaintiff filed a Notice of Violations with the Labor and Workforce Development Agency (“LWDA”) and served the same on Defendant (the “PAGA Letter.”)

B. On May 4, 2021, Plaintiff filed a putative class action complaint in the Butte County Superior Court, on behalf of herself and all persons similarly situated alleging claims for: (i) failure to pay all minimum and overtime wages in violation of Labor Code sections 510, 1194, and 1194.2; (ii) failure to provide rest periods in violation of Labor Code section 226.7 and the applicable IWC wage order; (iii) failure to provide meal periods in violation of Labor Code sections 226.7 and 512 and the applicable IWC wage order; (iv) failure to provide accurate itemized wage statements in violation of California Labor Code section 226; (v) failure to reimburse for expenses in violation of California Labor Code section 2802; (vi) failure to provide wages when due at separation of employment in violation of California Labor Code sections 201, 202 and 203; and (vii) violation of Business and Professions Code section 17200 (the “Lawsuit”).

C. On July 8, 2021, Plaintiff filed her operative First Amended Complaint, which added a representative claim for penalties pursuant to the Private Attorneys General Act (“PAGA”), Labor Code sections 2698 *et seq.*, to the Lawsuit.

D. On July 19, 2022, the Parties participated in mediation presided over by the Hon. David Brown, an experienced mediator of wage and hour class and PAGA actions. The mediation took place over a full day and involved extensive, arms-length negotiations, which concluded with an agreement of the Parties to settle the Lawsuit.

E. Defendant denies that it has violated any applicable law, committed any wrong against Plaintiff or any other current or former employee, or that it has otherwise damaged Plaintiff or any other current or former employee in any way.

F. This Agreement represents a compromise and settlement of highly disputed claims. It replaces and supersedes any other agreements, understandings, or representations between the Parties. Nothing in this Agreement is intended or will be construed as an admission by Defendant that the claims in the Lawsuit have merit or that Defendant bears any liability to Plaintiff or any other current or former employee on those claims or any other claims, or as an admission by Plaintiff that Defendant's defenses in the Lawsuit have merit. If for any reason the settlement does not become effective, Defendant reserves the right to contest certification of any class action for any reason, and reserves all available defenses to the claims in the Lawsuit.

G. The Parties believe that the Settlement is fair, reasonable and adequate. The Settlement was arrived at through arm's-length negotiations, taking into account all relevant factors. The Parties recognize the uncertainty, risk, expense and delay attendant to continuing the Lawsuit through trial and any appeal. Accordingly, the Parties desire to fully, finally, and forever settle, compromise and discharge all disputes and claims arising from or relating to the Lawsuit.

II. DEFINITIONS

A. "Action" shall mean the Lawsuit, as defined above, in the matter of *Weinreich v. 4LEAF, Inc.*, Butte County Superior Court, Case No. 21CV01146 (hereinafter "the Action").

B. "Agreement" or "Settlement Agreement" means this Stipulation of Settlement of Class and PAGA Claims and Release of Claims.

C. "Class Counsel" shall mean Daniel F. Gaines, Esq., Alex P. Katofsky, Esq., and Evan S. Gaines, Esq. of Gaines & Gaines, APLC.

D. "Class Counsel Award" means the award of fees and expenses that the Court authorizes to be paid to Class Counsel for the services they have rendered to Plaintiff and the Class in the Action, consisting of attorneys' fees not to exceed thirty five percent (35%) of the Gross Settlement Amount, currently estimated to be \$175,000.00, plus costs and expenses not to exceed \$12,000.00, and supported by declaration as to the reasonableness of attorneys' fees and costs. The Class Counsel Award shall be paid from the Gross Settlement Amount.

E. "Class Data" means information regarding Class Members that Defendant will in

1 good faith compile from its records and provide to the Settlement Administrator. It shall be formatted
2 as a Microsoft Excel spreadsheet and shall include: each Class Member's full name; last known
3 address; Social Security Number; start dates and end dates of employment or such other data that
4 will permit the Settlement Administrator to fulfill its duties under this Agreement and calculate the
5 Payment Ratio and PAGA Payment Ratio.

6 F. "Class Members" or the "Class" means all employees who are or previously were
7 employed by Defendant in California and who were classified as non-exempt employees during the
8 Class Period.

9 G. "Class Period" means the period from May 4, 2017 to the earlier of (i) the date the
10 Court grants preliminary approval of the Settlement or (ii) October 17, 2022 (the "Class Period End
11 Date").

12 H. "Class Representative Service Award" means the amount that the Court authorizes to
13 be paid to the Class Representative, in addition to her Individual Settlement Payment and her pro-
14 rata share of the PAGA Settlement, in recognition of her efforts and risks in assisting with the
15 prosecution of the Action and, partially, in exchange for executing a General Release of Defendant.

16 I. "Class Representative" shall mean Plaintiff Kayla Weinrieb.

17 J. "Court" means the Superior Court for the State of California, County of Butte
18 currently presiding over the Action.

19 K. "Defendant" shall mean 4LEAF, Inc.

20 L. "Defendant's Counsel" shall refer to Boutin Jones Inc.

21 M. "Effective Date" means the date of entry by the Court of an order and judgment finally
22 approving this Settlement.

23 N. "Funding Date" shall mean thirty (30) calendar days after the Effective Date and is
24 the date Defendant transfers the Gross Settlement Amount into the QSF in accord with the terms of
25 this Agreement.

26 O. "Gross Settlement Amount" means Five Hundred Thousand Dollars (\$500,000.00)
27 that Defendant must pay into the QSF in connection with this Settlement, inclusive of the sum of the

Individual Settlement Payments, the Class Representative Service Award, the Class Counsel Award, PAGA Settlement and the Settlement Administration Costs and *exclusive* of the employer's share of payroll tax, if any, triggered by any payment under this Settlement.

P. "Individual Settlement Payment" means the amount payable from the Net Settlement Amount to each Settlement Class Member and excludes any amounts distributed to PAGA Members pursuant to PAGA.

Q. "Net Settlement Amount" or "NSA" means the Gross Settlement Amount, less the Class Counsel Award, Class Representative Service Award, PAGA Settlement, and Settlement Administration Costs.

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

S. "PAGA" means the California Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698 *et seq.*

T. "PAGA Members" shall mean all employees who are or previously were employed by Defendant in California and who were classified as non-exempt employees during the PAGA Period.

U. "PAGA Payment Ratio" means the respective PAGA Pay Periods during the PAGA Period for each PAGA Member divided by the sum total of the PAGA Pay Periods for all PAGA Members during the PAGA Period.

V. "PAGA Pay Periods," for purposes of calculating the distribution of the PAGA Member Payment, as defined herein, means the number of pay periods of employment during the PAGA Period that each PAGA Member worked in California in a non-exempt position.

W. "PAGA Period" means the period of May 4, 2020 to the Class Period End Date.

X. "PAGA Settlement" shall mean Twenty Thousand Dollars (\$20,000.00) to be allocated from the Gross Settlement Amount.

Y. "Parties" means Plaintiff and Defendant, collectively, and "Party" shall mean either

1 Plaintiff or Defendant, individually.

2 Z. "Payment Ratio" means the respective Workweeks for each Class Member divided
3 by the sum total Workweeks for all Class Members.

4 AA. "Plaintiff" shall mean plaintiff Kayla Weinreich.

5 BB. "QSF" means the Qualified Settlement Fund established, designated and maintained
6 by the Settlement Administrator to fund the Gross Settlement Amount.

7 CC. "Released Class Claims" means all class claims alleged or that could have been
8 alleged based on the factual allegations in the operative complaint in the Action and Plaintiff's PAGA
9 Letter, which occurred during the Class Period during employment in a non-exempt position, and
10 expressly excluding claims for vested benefits, wrongful termination, unemployment insurance,
11 disability, social security, workers' compensation, and class claims outside of the Class Period, and
12 excluding claims for PAGA penalties, which are separately released herein.

13 DD. "Released PAGA Claims" means all PAGA claims alleged or that could have been
14 brought based on the factual allegations in the operative complaint in the Action and Plaintiff's
15 PAGA Letter, which occurred during the PAGA Period during employment in a non-exempt
16 position, and expressly excluding claims for vested benefits, wrongful termination, unemployment
17 insurance, disability, social security, workers' compensation, and PAGA claims outside of the PAGA
18 Period.

19 EE. "Released Parties" means Defendant, as well as each of its officers, directors,
20 members, partners, owners, shareholders, agents, managing agents, insurers, assigns, predecessors,
21 successors, parent companies and organizations, and any other entity which Plaintiff, individually
22 on behalf of herself and on behalf of all Class Members and PAGA Members, might claim are
23 responsible for the damages sought in the Action.

24 FF. "Response Deadline" means the date forty-five (45) days after the Settlement
25 Administrator mails Notice Packets to Class Members and the last date on which Class Members
26 may submit requests for exclusion or objections to the Settlement.

27 GG. "Settlement" means the disposition of the Action pursuant to this Agreement.

1 HH. “Settlement Administrator” means ILYM Group Inc., 14771 Plaza Drive, Ste. L,
2 Tustin, CA 92780; Tel: 1-888-250-6810; Fax: 1-888-845-6185. The Settlement Administrator
3 establishes, designates and maintains, as a QSF under Internal Revenue Code section 468B and
4 Treasury Regulation section 1.468B-1, into which the amount of the Gross Settlement Amount is
5 deposited for the purpose of resolving the claims of Settlement Class Members. The Settlement
6 Administrator shall maintain the funds until distribution in an account(s) segregated from the assets
7 of Defendant and any person related to Defendant. All accrued interest shall be paid and distributed
8 to the Settlement Class Members as part of their respective Individual Settlement Payment.

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

11 JJ. “Workweeks,” for purposes of calculating the distribution of the Net Settlement
12 Amount, means the number of weeks of employment during the Class Period that each Class Member
13 was employed by Defendant in California in a non-exempt position, excluding weeks during which
14 the Class Member did not perform any work for Defendant.

15 **III. TERMS AND CONDITIONS OF SETTLEMENT**

16 A. Settlement Consideration and Settlement Payments by Defendant.

17 1. Gross Settlement Amount. In full and complete settlement of the
18 Action, in exchange for the releases set forth below, and subject to the terms and conditions in this
19 Agreement, Defendant will pay the Gross Settlement Amount of Five Hundred Thousand Dollars
20 (\$500,000.00). This amount is all-inclusive of all payments contemplated in this Agreement,
21 excluding any employer-share payroll taxes on the portion of the Net Settlement Fund allocated to
22 wages, and except as may be payable in accordance with Paragraph III(A)(2) below. The Parties
23 agree that this is a non-reversionary Settlement and that no portion of the Gross Settlement Amount
24 shall revert to Defendant.

25 2. Class Size. Defendant estimates that the Settlement Class is comprised
26 of no more than 700 individuals who collectively worked no more than 50,000 Workweeks
27 (“Projected Workweeks”) during the Class Period. In the event the number of workweeks during

the Class Period increases by ten percent (10%) or more beyond the Projected Workweeks (i.e., to 55,000 or more), then Defendant shall have the option to either: (i) increase the Gross Settlement Amount on a pro rata basis according to the percentage that the actual Workweeks are greater than 55,000; or (ii) agree that the Class Period End Date shall be the date on which the Workweeks reach 55,000.

3. Settlement Payment. Defendant shall pay, via wire transfer, the Gross Settlement Amount to the Settlement Administrator on the Funding Date and Defendant shall pay the employer-side payroll taxes owed within ten (10) days of the Settlement Administrator notifying Defendant of the amount of such payment.

B. Release by Settlement Class Members. Subject to Defendant's payment of the Gross Settlement Amount, in exchange for the consideration set forth in this Agreement, Plaintiff and the Settlement Class Members release the Released Parties from the Released Class Claims for the Class Period.

C. Release by the PAGA Members. Subject to Defendant's payment of the Gross Settlement Amount, in exchange for the consideration set forth in this Agreement, the Plaintiff, the LWDA and the State of California release the Released Parties from the PAGA Released Claims for the PAGA Period.

D. General Release by Plaintiff. Subject to Defendant's payment of the Gross Settlement Amount, for the consideration set forth in this Agreement which includes the Class Representative Service Award, Plaintiff waives, releases, acquits and forever discharges the Released Parties from any and all claims, attorneys' fees and demands, whether known or unknown, which exist or may exist on her behalf as of the date of this Agreement, including but not limited to any and all tort claims, contract claims, wage claims, wrongful termination claims, disability claims, benefit claims, public policy claims, retaliation claims, statutory claims, personal injury claims, emotional distress claims, invasion of privacy claims, defamation claims, fraud claims, quantum meruit claims, and any and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance, including, but not limited to, claims for violation of the Fair Labor Standards Act, the

California Labor Code, the Wage Orders of California's Industrial Welfare Commission, other state wage and hour laws, the Americans with Disabilities Act, the Age Discrimination in Employment Act (ADEA), the Employee Retirement Income Security Act, Title VII of the Civil Rights Act of 1964, the California Fair Employment and Housing Act, the California Family Rights Act, the Family Medical Leave Act, California's Whistleblower Protection Act, California Business & Professions Code Section 17200 *et seq.*, and any and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance.

E. Plaintiff's Release of Unknown Claims. Plaintiff also waives and relinquishes any and all claims, rights or benefits that she 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, Plaintiff expressly acknowledges this Agreement is intended to include in its effect, without limitation, all claims Plaintiff does not know or suspect to exist in Plaintiff's favor at the time of signing this Agreement, and that this Agreement contemplates the extinguishment of any such claims. Plaintiff warrants that Plaintiff has read this Agreement, including this waiver of California Civil Code section 1542, and that Plaintiff has consulted with or had the opportunity to consult with counsel of Plaintiff's choosing about this Agreement and specifically about the waiver of section 1542, and that Plaintiff understands this Agreement and the section 1542 waiver, and so Plaintiff freely and knowingly enters into this Agreement. Plaintiff further acknowledges that Plaintiff later may discover facts different from or in addition to those Plaintiff now knows or believes to be true regarding the matters released or described in this Agreement, and even so Plaintiff agrees

1 that the releases and agreements contained in this Agreement shall remain effective in all respects
2 notwithstanding any later discovery of any different or additional facts. Plaintiff expressly assumes any
3 and all risk of any mistake in connection with the true facts involved in the matters, disputes, or
4 controversies released or described in this Agreement or with regard to any facts now unknown to
5 Plaintiff relating thereto.

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

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

16 G. Nullification of Settlement Agreement. In the event that this Settlement Agreement
17 is not preliminarily or finally approved by the Court, fails to become effective, or is reversed,
18 withdrawn or modified by the Court, or in any way prevents or prohibits Defendant from obtaining
19 a complete resolution of the Released Claims, or if Defendant fails to fully fund the Gross Settlement
20 Amount:

- 21 1. This Settlement Agreement shall be void *ab initio* and of no force or effect,
22 and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or
23 with respect to any issue, substantive or procedural;
- 24 2. The conditional class certification (obtained for any purpose) shall be void *ab*
25 *initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral
26 proceeding for any purpose or with respect to any issue, substantive or procedural; and

1 3. None of the Parties to this Settlement will be deemed to have waived any
2 claims, objections, defenses or arguments in the Action, including with respect to the issue of class
3 certification.

4 4. The Parties will equally bear responsibility for any cost to issue or reissue any
5 curative notice to the Settlement Class Members and all Settlement Administration Costs incurred to
6 the date of nullification.

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

14 I. Tax Liability. The Parties make no representations as to the tax treatment or legal
15 effect of the payments called for, and Plaintiff, Class Members and/or PAGA Members are not
16 relying on any statement or representation by the Parties in this regard. Plaintiff, Class Members
17 and/or PAGA Members understand and agree that they will be responsible for the payment of any
18 taxes and penalties assessed on the Class Representative Service Award, Individual Settlement
19 Payments and/or PAGA Members' individual shares of the PAGA Settlement described and will be
20 solely responsible for any penalties or other obligations resulting from their personal tax reporting
21 of the Class Representative Service Payment, Individual Settlement Payments and/or PAGA
22 Members' individual shares of the PAGA Settlement.

23 J. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
24 the "acknowledging party" and each Party to this Agreement other than the acknowledging party, an
25 "other party") acknowledges and agrees that: (1) no provision of this Agreement, and no written
26 communication or disclosure between or among the Parties or their attorneys and other advisers, is
27 or was intended to be, nor shall any such communication or disclosure constitute or be construed or

1 be relied upon as, tax advice within the meaning of United States Treasury Department circular 230
2 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her
3 or its own, independent legal and tax counsel for advice (including tax advice) in connection with
4 this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other
5 Party or any attorney or advisor to any other Party, and (c) is not entitled to rely upon any
6 communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty
7 that may be imposed on the acknowledging party, and (3) no attorney or adviser to any other Party
8 has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax
9 strategies (regardless of whether such limitation is legally binding) upon disclosure by the
10 acknowledging party of the tax treatment or tax structure of any transaction, including any
11 transaction contemplated by this Agreement.

12 K. Preliminary Approval Motion. At the earliest practicable time, Plaintiff shall file with
13 the Court a Motion for Order Granting Preliminary Approval and supporting papers (the "Motion"),
14 which shall include this Settlement Agreement. Plaintiff will provide Defendant with a draft of the
15 Motion at least 3 business days prior to the filing of the Motion to give Defendant an opportunity to
16 propose changes or additions to the Motion.

17 L. Settlement Administrator. The Settlement Administrator shall be responsible for:
18 establishing and administering the QSF; calculating, processing and mailing payments to the Class
19 Representatives, Class Counsel, LWDA and Class Members; printing and mailing the Notice Packets
20 to the Class Members as directed by the Court; receiving and reporting the objections and requests
21 for exclusion; calculating, deducting and remitting all legally required taxes from Individual
22 Settlement Payments and distributing tax forms for the Wage Portion and Non-Wage Portion of the
23 Individual Settlement Payments and/or PAGA Members' individual shares of the PAGA Settlement;
24 processing and mailing tax payments to the appropriate state and federal taxing authorities; providing
25 declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; and
26 other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform.
27 The Settlement Administrator shall keep the Parties timely apprised of the performance of all

Settlement Administrator responsibilities by among other things, sending a weekly status report to the Parties' counsel stating the date of the mailing, the of number of Elections Not to Participate in Settlement it receives (including the numbers of valid and deficient), and number of objections received.

M. Notice Procedure.

1. Class Data. No later than fifteen (15) business days after the Preliminary Approval Date, Defendant shall provide the Settlement Administrator with the Class Data for purposes of preparing and mailing Notice Packets to the Class Members.

2. Notice Packets.

a) The Notice Packet shall contain the Notice of Class Action Settlement in a form substantially similar to the form attached as Exhibit A. The Notice of Class Action Settlement shall inform Class Members and PAGA Members that they need not do anything in order to receive an Individual Settlement Payment and/or PAGA Members' individual shares of the PAGA Settlement and to keep the Settlement Administrator apprised of their current mailing address, to which the Individual Settlement Payments and/or PAGA Members' individual shares of the PAGA Settlement will be mailed following the Funding Date. The Notice of Class Action Settlement shall set forth the release to be given by all members of the Class who do not request to be excluded from the Settlement Class and/or PAGA Members in exchange for an Individual Settlement Payment and/or PAGA Members' individual shares of the PAGA Settlement, the number of Workweeks worked by each Class Member during the Class Period and PAGA Period, if any, and the estimated amount of their Individual Settlement Payment if they do not request to be excluded from the Settlement and each PAGA Member's share of the PAGA Settlement, if any. The Settlement Administrator shall use the Class Data to determine Class Members' Workweeks and PAGA Pay Periods. The Notice will also advise the PAGA Members that they will release the Released PAGA Claims and will receive their share of the PAGA Settlement regardless of whether they request to be excluded from the Settlement.

b) The Notice Packet's mailing envelope shall include the following language: "IMPORTANT LEGAL DOCUMENT- YOU MAY BE ENTITLED TO PARTICIPATE IN A CLASS ACTION SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED NOTICE."

3. Notice by First Class U.S. Mail. Upon receipt of the Class Data, the Settlement Administrator will perform a search based on the National Change of Address Database to update and correct any known or identifiable address changes. No later than fifteen (15) calendar days after receiving the Class Data from Defendant, the Settlement Administrator shall mail copies of the Notice Packet to all Class Members via regular First-Class U.S. Mail. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Class Member. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Class Member.

4. Undeliverable Notices. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to any forwarding address provided. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address by lawful use of skip-tracing, or other search using the name, address and/or Social Security number of the Class Member involved, and shall then perform a re-mailing, if another mailing address is identified by the Settlement Administrator. 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

1 Administrator's determination of the eligibility for and amount of any Individual Settlement Payment
2 shall be binding upon the Class Member and the Parties.

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

8 7. Exclusions. The Notice of Class and PAGA Action Settlement contained in
9 the Notice Packet shall state that Class Members who wish to exclude themselves from the
10 Settlement must submit a signed copy of the Request for Exclusion form to the Settlement
11 Administrator by the Response Deadline. A Request for Exclusion form will be mailed together with
12 the Notice Packet to all Class Members. The Request for Exclusion will not be valid if it is not
13 timely submitted, if it is not signed by the Class Member, or if it does not contain the name and
14 address and last four digits of the Social Security number of the Class Member. The date of the
15 postmark on the mailing envelope or fax stamp on the Request for Exclusion shall be the exclusive
16 means used to determine whether the request for exclusion was timely submitted. Any Class Member
17 who submits a timely Request for Exclusion shall be excluded from the Settlement Class and will
18 not be entitled to an Individual Settlement Payment and will not be otherwise bound by the terms of
19 the Settlement or have any right to object, appeal or comment thereon. However, any Class Member
20 that submits a timely Request for Exclusion that is also a member of the PAGA Members will still
21 receive their pro rata share of the PAGA Settlement, as specified below, and in consideration, will
22 be bound by the Release by the PAGA Members as set forth herein. Settlement Class Members who
23 fail to submit a valid and timely Request for Exclusion on or before the Response Deadline shall be
24 bound by all terms of the Settlement and any final judgment entered in this Action if the Settlement
25 is approved by the Court. No later than fourteen (14) calendar days after the Response Deadline, the
26 Settlement Administrator shall provide counsel for the Parties with a final list of the Class Members
27 who have timely submitted Requests for Exclusion. 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 and PAGA 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 Settlement Class Member; (4) the basis for the objection; and (5) if the Settlement Class Member intends to appear at the Final Approval/Settlement Fairness Hearing. Class Members who fail to make objections in writing in the manner specified above may still make their objections orally at the Final Approval/Settlement Fairness Hearing with the Court’s permission. Settlement Class Members will have a right to appear at the Final Approval/Settlement Fairness Hearing to have their objections heard by the Court regardless of whether they submitted a written objection. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to file or serve written objections to the Settlement or appeal from the Order and Final Judgment. Class Members who submit a written request for exclusion may not object to the Settlement. Class Members may not object to the PAGA Settlement.

N. Funding and Allocation of the Gross Settlement Amount. Defendant is required to pay the Gross Settlement Amount on or before the Funding Date, plus any employer’s share of payroll taxes as mandated by law within the time specified herein.

1. Calculation of Individual Settlement Payments. Individual Settlement Payments shall be paid from the Net Settlement Amount and shall be paid pursuant to the formula set forth herein. Using the Class Data, the Settlement Administrator shall add up the total number of Workweeks for all Class Members. The respective Workweeks for each Class Member will be divided by the total Workweeks for all Class Members, resulting in the Payment Ratio for each Class

Member. Each Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Class Member's estimated Individual Settlement Payment. Each Individual Settlement Payment will be reduced by any legally mandated employee tax withholdings (e.g., employee payroll taxes, etc.). Individual Settlement Payments for Class Members who submit valid and timely requests for exclusion will be 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 PAGA Members. Using the Class Data, the Settlement Administrator shall add up the total number of PAGA Pay Periods for all PAGA Members during the PAGA Period. The respective PAGA Pay Periods for each PAGA Member will be divided by the total PAGA Pay Periods for all PAGA Members, resulting in the "PAGA Payment Ratio" for each PAGA Member. Each PAGA Member's PAGA Payment Ratio will then be multiplied by the PAGA Member Payment to calculate each PAGA Member's estimated share of the PAGA Settlement.

3. Allocation of Individual Settlement Payments. For tax purposes, Individual Settlement Payments shall be allocated and treated as follows: 50% as wages ("Wage Portion"); 50% as penalties and interest ("Non-Wage Portion"). The Wage Portion is subject to wage withholdings and shall be reported on IRS Form W-2. The Non-Wage Portion shall not be subject to wage withholdings and shall be reported on IRS Form 1099.

4. Allocation of PAGA Member Payments. For tax purposes, PAGA Member 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 Settlement made to Settlement Class Members and/or PAGA Members 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,

1 bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and
2 any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not
3 affect any rights, contributions, or amounts to which any Class Members may be entitled under any
4 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 Members solely in the year in
7 which such monies actually are received by the Settlement Class Members. It is the intent of the Parties
8 that Individual Settlement Payments and individual shares of the PAGA Settlement provided for in this
9 Settlement agreement are the sole payments to be made by Defendant to Settlement Class Members
10 and/or PAGA Members in connection with this Settlement Agreement, with the exception of Plaintiff,
11 and that the Settlement Class Members and/or PAGA Members are not entitled to any new or additional
12 compensation or benefits as a result of having received the Individual Settlement Payments and/or their
13 shares of the PAGA Settlement.

14 7. Mailing. Individual Settlement Payments and PAGA Member Payments shall
15 be mailed by regular First-Class U.S. Mail to Settlement Class Members' and/or PAGA Members'
16 last known mailing address no later than fifteen (15) calendar days after the Funding Date.

17 8. Expiration. Any checks issued to Settlement Class Members and PAGA
18 Members shall remain valid and negotiable for one hundred eighty (180) days from the date of their
19 issuance. If a Settlement Class Member and/or PAGA Member does not cash their settlement check
20 within 90 days, the Settlement Administrator will send a letter to such persons, advising that the
21 check will expire after the 180th day, and invite that Settlement Class Member and/or PAGA
22 Member to request reissuance in the event the check was destroyed, lost or misplaced. In the event
23 an Individual Settlement Payment and/or PAGA Member's individual share of the PAGA Settlement
24 check has not been cashed within one hundred eighty (180) days, all funds represented by such
25 uncashed checks, plus any interest accrued thereon, shall be distributed consistent with California
26 Code of Civil Procedure Section 384 as follows: to Capitol Pro Bono. Neither Class Counsel,
27

Defendant's Counsel, nor any of the Parties, have any interest, pecuniary or otherwise, in Capitol Pro Bono.

9. Class Representative Service Award. In addition to the Individual Settlement Payments and the individual shares of the PAGA Settlement to be paid to Plaintiff, Plaintiff will apply to the Court for an award of not more than \$12,000.00 as the Class Representative Service Award. Defendant will not oppose a Class Representative Service Award of not more than \$12,000.00 for Plaintiff. The Settlement Administrator shall pay the Class Representative Service Award, either in the amount stated herein if approved by the Court or some other amount as approved by the Court, to Plaintiff from the Gross Settlement Amount, no later than fifteen (15) calendar days after the Funding Date. Any portion of the requested Class Representative Service Award that is not awarded to the Class Representative 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 issue an IRS Form 1099 — MISC to Plaintiff for her Class Representative Service Award. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on her Class Representative Service Award and shall hold harmless the Released Parties from any claim or liability for taxes, penalties, or interest arising as a result of the Class Representative Service Award. The Class Representative Service Award shall be in addition to Plaintiff's Individual Settlement Payment as a Settlement Class Member. Approval of this Settlement shall not be conditioned on Court approval of the requested amount of the Class Representative Service Award. In the event that the Court reduces or does not approve the requested Class Representative Service Award, Plaintiff shall not have the right to revoke the Settlement, and it will remain binding.

10. Class Counsel Award. Defendant understands a motion by Class Counsel for attorneys' fees not to exceed thirty five percent (35%) of the Gross Settlement Amount, currently estimated to be One Hundred Seventy Five Thousand Dollars (\$175,000.00), plus costs and expenses supported by declaration not to exceed Twelve Thousand Dollars (\$12,000.00), from the Gross Settlement Amount will be filed. Defendant will not oppose any requests consistent with this paragraph. Any portion of the requested Class Counsel Award that is 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 Class Counsel Award to Class Counsel from the Gross Settlement Amount no later than fifteen (15) calendar days 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 Class Counsel Award, 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 Settlement. Twenty Thousand Dollars (\$20,000.00) shall be allocated from the Gross Settlement Amount for settlement of claims for civil penalties under the Private Attorneys General Act of 2004 (“PAGA Settlement”). The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Settlement (\$15,000.00) to the California Labor and Workforce Development Agency no later than fifteen (15) calendar days after the Funding Date (hereinafter “LWDA Payment”). Twenty-five percent (25%) of the PAGA Settlement (\$5,000.00) will be distributed to the PAGA Members as described in this Agreement (hereinafter “PAGA Member Payment”). For purposes of distributing the PAGA Settlement to the PAGA Members, each PAGA Member shall receive their pro-rata share of the PAGA Member Payment using the PAGA Payment Ratio as defined above.

12. Settlement Administration Costs. The Settlement Administrator shall be paid for the costs of administration of the Settlement from the Gross Settlement Amount. The Settlement Administration Costs are estimated to be no more than \$20,000.00. The Settlement Administrator shall be paid the Settlement Administration Costs no later than fifteen (15) calendar days after the Funding Date. If the actual Settlement Administration Costs are less than \$20,000.00, then any portion of that \$20,000.00 not paid as Settlement Administration Costs shall become part of the Net Settlement Amount and shall be distributed to Settlement Class Members as provided in this Agreement.

O. Defendant's Option to Revoke Settlement. Defendant has the right to revoke the Settlement and Defendant shall have the option to terminate this Settlement if, after the Response Deadline, the number of Settlement Class Members who submitted timely and valid written requests for exclusion from the Settlement is at least ten percent (10%) of all Settlement Class Members. If Defendant exercises the option to terminate this Settlement, Defendant shall: (a) provide written notice to Class Counsel within five (5) calendar days after (i) providing the Class Data to the Settlement Administrator or (ii) the Settlement Administrator provides information regarding opt outs (which can occur no later than fourteen (14) calendar days after the Response Deadline), and (b) pay all Settlement Administration Costs incurred up to the date or as result of the termination; and the Parties shall proceed in all respects as if this Agreement had not been executed.

P. Final Approval Motion. Class Counsel and Plaintiff shall use best efforts to file with the Court a Motion for Order Granting Final Approval and Entering Judgment ("Final Approval Motion"), within twenty (20) days following the expiration of the Response Deadline, which motion shall request final approval of the Settlement and a determination of the amounts payable for the Class Representative Service Award, the Class Counsel Award, the PAGA Settlement, and the Settlement Administration Costs. Plaintiff will provide Defendant with a draft of the Final Approval Motion at least 3 business days prior filing to give Defendant an opportunity to propose changes or additions.

1. Declaration by Settlement Administrator. No later than fourteen (14) days after the Response Deadline, the Settlement Administrator shall submit a declaration in support of Plaintiff's Final Approval Motion detailing the number of Notice Packets mailed and re-mailed to Class Members, the number of undeliverable Notice Packets, the number of timely requests for exclusion, the number of objections received, the amount of the average Individual Settlement Payment and highest Individual Settlement Payment, the Settlement Administration Costs, and any other information as the Parties mutually agree or the Court orders the Settlement Administrator to provide.

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. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts to implement and obtain approval from the Court of the Settlement.

O. 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

P. Amendment or Modification. This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

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

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

S. No Public Comment: The Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about the fact, amount or terms of the Settlement Agreement. Class Counsel further agrees not to use the Settlement Agreement or any of its terms for any marketing or

1 promotional purposes. Nothing herein will restrict Class Counsel from including publicly available
2 information regarding this settlement in future judicial submissions regarding Class Counsel's
3 qualifications and experience. Further, Class Counsel will not include, reference or use the
4 Settlement Agreement for any marketing or promotional purposes, either before or after the Motion
5 for Preliminary Approval is filed.

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

10 V. 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 instrument provided
12 that counsel for the Parties to this Agreement shall exchange among themselves copies or originals
13 of the signed counterparts.

14 W. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this
15 Settlement 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 factors, present
17 and potential.

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

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

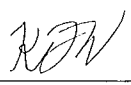
1 Z. No Unalleged Claims. Plaintiff and Class Counsel represent that they do not currently
2 intend to pursue any claims against the Released Parties other than those already encompassed within
3 the Released Class Claims and Released PAGA Claims to be resolved by this Agreement. The
4 Parties further acknowledge, understand and agree that this representation is essential to the
5 Agreement and that this Agreement would not have been entered into were it not for this
6 representation.

7 AA. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to
8 class certification for purposes of this settlement only. Any Party may appeal the final judgment if
9 it incorporates any terms inconsistent with this Agreement, and file a cross-appeal in the event a
10 Party or Settlement Class Members or non-party files an appeal.

11 BB. No Admissions by the Parties. Nothing contained in this Agreement and no
12 documents referred to and no action taken to carry out this Agreement may be construed or used as
13 an admission by or against the Defendant or Plaintiff or Class Counsel as to the merits or lack thereof
14 of the claims asserted in the Action. Other than as may be specifically set forth herein, each Party
15 shall be responsible for and shall bear its/her own attorneys' fees and costs.

16 IT IS SO AGREED AS TO FORM AND CONTENT BY PLAINTIFF:

17
18 DATED: 09 / 02 / 2022

19 
KAYLA WEINREICH

20
21 IT IS SO AGREED AS TO FORM AND CONTENT BY DEFENDANT:

22 DATED: 9/20/2022

23 4LEAF, INC.

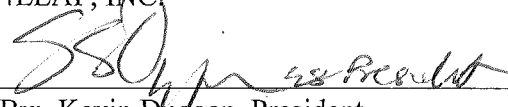
24 
25 By: Kevin Duggan, President

EXHIBIT A

EXHIBIT A

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

KAYLA WEINREICH, individually and on
behalf of all similarly situated individuals,

Plaintiff,

v.

4LEAF INC., a California corporation, and
DOES 1 through 10, inclusive,

Defendants.

CASE NO: 21CV01146

**NOTICE OF PENDENCY OF PROPOSED
CLASS ACTION SETTLEMENT AND
FINAL HEARING**

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

WHY DID YOU RECEIVE THIS NOTICE?

This notice explains a proposed settlement of a class action lawsuit, and informs you of your legal rights under that proposed settlement. You are receiving this notice because you may be a member of the Class on whose behalf this class action lawsuit has been brought.

WHAT IS THIS LAWSUIT ABOUT?

On May 4, 2021, Plaintiff Kayla Weinreich ("Plaintiff"), a former employee of 4Leaf, Inc. ("Defendant"), filed this lawsuit in the Butte County Superior Court. The lawsuit alleges violations of the California Labor Code and California Business and Professions Code. Specifically, the lawsuit alleges that members of the Class (as defined below) were not provided all minimum and overtime wages due; compliant meal and rest periods or premium compensation in lieu thereof; were not reimbursed all business-related expenses; were not timely issued final wages upon separation of employment; and were not issued accurate and complete itemized wage statements. The lawsuit seeks recovery of wages, business-related expenses, damages, interest, statutory and civil penalties, restitution, attorneys' fees and costs. Defendant denies all of the material allegations in the lawsuit and denies that it owes Class Members any remedies. The Court has not made a ruling on the merits of the case.

The lawyers for the parties are:

Plaintiff's Attorneys

Daniel F. Gaines, Esq.
Alex P. Katofsky, Esq.
Evan S. Gaines, Esq.
Gaines & Gaines, APLC
4550 E. Thousand Oaks Blvd., Suite 100
Westlake Village, CA 91362
Phone: (866) 550-0855

Defendant's Attorneys

Bruce M. Timm, Esq.
Kimberly A. Lucia
Andrew M. Ducart, Esq.
Boutin Jones Inc.
555 Capitol Mall, Suite 1500
Sacramento, CA 95814
Phone: (916) 321-4444

SUMMARY OF THE SETTLEMENT

A. Why is there a Settlement?

The Court did not decide in favor of Plaintiff or Defendant. Plaintiff believes she would have prevailed on her claims at a trial. Defendant does not believe that Plaintiff would have won anything from a trial. There has been no trial. Instead, both sides agreed to a settlement, which is memorialized in the Stipulation of Settlement of Class Action and PAGA Claims and Release of Claims (“Settlement” or “Settlement Agreement”), in order to avoid the further costs, risks, and uncertainty of a trial. Plaintiff and Plaintiff’s Attorneys believe the settlement is fair, reasonable, adequate, and in the best interests of all Class Members.

B. Who is in the Settlement Class?

The Settlement encompasses a class composed of all employees who are or previously were employed by 4Leaf, Inc. in California and who were classified as non-exempt employees between May 4, 2017 and [CLASS PERIOD END DATE].

C. Who is a PAGA Member?

The Settlement includes PAGA Members inclusive of all employees who are or previously were employed by Defendant in California and who were classified as non-exempt employees between May 4, 2020 and [CLASS PERIOD END DATE].

D. What does the Settlement provide?

1. Gross Settlement Amount.

The Settlement provides that Defendant will pay \$500,000 (the “Gross Settlement Amount”) to settle the lawsuit.

2. Net Settlement Proceeds.

The “Net Settlement Amount” is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Amount is the Gross Settlement Amount less the following amounts that will be requested at the Final Approval Hearing and are subject to comment or objection by Participating Class Members. The Court will fix these amounts at the Final Approval Hearing.

(a) **Class Counsel’s Attorneys’ Fees** in an amount set by the Court, not to exceed \$175,000;

(b) **Class Counsel’s Documented Litigation Costs/Expenses** in an amount set by the Court, not to exceed \$12,000;

(c) **Enhancement Payment to the Class Representative** in an amount set by the Court, not to exceed \$12,000 for her service in the lawsuit;

(d) **Settlement Administration Costs** which are currently estimated to not exceed \$20,000, for administering the settlement; and

(e) **PAGA Settlement** in the total amount of \$20,000 for the settlement of claims arising under the California Private Attorneys General Act (“PAGA”). 75%, or \$15,000, shall be paid to the California Labor and Workforce Development Agency. The remaining 25%, or \$5,000, shall be paid to the PAGA Members.

3. **Individual Settlement Payment.**

Your share of the Net Settlement Amount and PAGA Settlement will be determined by the formula detailed in section F below.

E. What Are You Giving Up To Get A Payment Or Stay In The Class?

Subject to Defendant’s payment of the Gross Settlement Amount, in exchange for the consideration set forth in the Parties’ Agreement, Plaintiff and the Settlement Class Members release the Released Parties from the Released Class Claims for the Class Period.

Subject to Defendant’s payment of the Gross Settlement Amount, in exchange for the consideration set forth in the Parties’ Agreement, the Plaintiff, the LWDA and the State of California release the Released Parties from the PAGA Released Claims for the PAGA Period.

The “Released Parties” are Defendant, as well as each of its officers, directors, members, partners, owners, shareholders, agents, managing agents, insurers, assigns, predecessors, successors, parent companies and organizations, and any other entity which Plaintiff, individually on behalf of herself and on behalf of all Class Members and PAGA Members, might claim are responsible for the damages sought in the Action.

The “Released Class Claims” are all class claims alleged or that could have been alleged based on the factual allegations in the operative complaint in the Action and Plaintiff’s PAGA Letter, which occurred during the Class Period during employment in a non-exempt position, and expressly excluding claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, and class claims outside of the Class Period, and excluding claims for PAGA penalties, which are separately released herein.

The “Released PAGA Claims” are all PAGA claims alleged or that could have been brought based on the factual allegations in the operative complaint in the Action and Plaintiff’s PAGA Letter, which occurred during the PAGA Period during employment in a non-exempt position, and expressly excluding claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, and PAGA claims outside of the PAGA Period.

F. How Is Your Share Of The Settlement Calculated?

Each Settlement Class Member (those who do not opt out of the Settlement) shall receive an “Individual Settlement Payment.” Each PAGA Member, whether they opt out of the class settlement or not, shall receive a PAGA Payment.

Calculation of Individual Settlement Payments to the Settlement Class Members. Individual Settlement Payments shall be paid from the Net Settlement Amount and shall be paid pursuant to the formula set forth herein. Using the Class Data (as defined in the Settlement), the Settlement Administrator ILYM Group, Inc. shall add up the total number of Workweeks for all Class Members. The respective Workweeks for each Class Member will be divided by the total Workweeks for all Class Members, resulting in the Payment Ratio for each Class Member. Each Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Class Member's estimated Individual Settlement Payment. Each Individual Settlement Payment will be reduced by any legally mandated employee tax withholdings (e.g., employee payroll taxes, etc.). Individual Settlement Payments for Class Members who submit valid and timely requests for exclusion will be 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.

Calculation of Individual Payments to the PAGA Members. Using the Class Data, the Settlement Administrator shall add up the total number of PAGA Pay Periods for all PAGA Members during the PAGA Period. The respective PAGA Pay Periods for each PAGA Member will be divided by the total PAGA Pay Periods for all PAGA Members, resulting in the "PAGA Payment Ratio" for each PAGA Member. Each PAGA Member's PAGA Payment Ratio will then be multiplied by the PAGA Member Payment to calculate each PAGA Member's estimated share of the PAGA Settlement.

Allocation of Individual Settlement Payments. For tax purposes, Individual Settlement Payments shall be allocated and treated as follows: 50% as wages ("Wage Portion"); 50% as penalties and interest ("Non-Wage Portion"). The Wage Portion is subject to wage withholdings and shall be reported on IRS Form W-2. The Non-Wage Portion shall not be subject to wage withholdings and shall be reported on IRS Form 1099.

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

Neither Class Counsel nor Defendant's counsel intend anything contained in this Settlement Notice 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.

Capitalized terms are defined in the Settlement Agreement. For definitions and more details, please request a copy of the Settlement Agreement.

G. How Much Will Your Payment Be?

According to the records of Defendant, you worked [] Workweeks while employed as a non-exempt employee in California from May 4, 2017 through [CLASS PERIOD END DATE] and [] pay periods while employed as a non-exempt employee in California from May 4, 2020 through [CLASS PERIOD END DATE]. Based on these weeks/pay periods worked, you are entitled to an Individual Settlement Payment of approximately \$[] and a PAGA Payment of approximately \$[]. These amounts are subject to change based on the final ruling of the Court.

Please be advised that the individual data above is presumed to be correct unless you submit documentation proving otherwise. If you disagree with the data, please submit an explanation and evidence in support of your position to the Settlement Administrator no later than [REDACTED], 2022. In the event of a dispute, the Settlement Administrator will resolve the challenge with input from the Defendant and will make a final determination.

THE SETTLEMENT HEARING

The Court will conduct a final fairness hearing regarding the proposed settlement (the “Final Settlement Hearing”) on [REDACTED], at 8:30 a.m., in the Courtroom of Judge Stephen E. Benson of the Butte County Superior Court, Department 6, located at 1775 Concord Avenue, Chico, CA 95928. The Court will determine: (i) whether the lawsuit should finally be certified as a class action for settlement purposes; (ii) whether the settlement should be given the Court’s final approval as fair, reasonable, adequate and in the best interests of the Settlement Class Members; (iii) whether the Settlement Class Members should be bound by the terms of the settlement; (iv) the amount of the attorneys’ fees and costs to be awarded to Plaintiff’s Attorneys; and (v) the amount that should be awarded to Plaintiff as an enhancement payment. At the Final Settlement Hearing, the Court will hear all properly filed objections, as well as arguments for and against the proposed settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, or to enter an appearance and represent yourself.

WHAT ARE YOUR OPTIONS?

- **OPTION 1 – DO NOTHING AND PARTICIPATE IN THE SETTLEMENT**

IF YOU TAKE NO ACTION IN RESPONSE TO THIS NOTICE, YOU WILL AUTOMATICALLY RECEIVE YOUR SHARE OF THE SETTLEMENT IF IT IS APPROVED BY THE COURT. YOU ARE NEVER REQUIRED TO GO TO COURT OR PAY ANYTHING TO THE LAWYERS IN THIS CASE. If you move, you must update your address with the Settlement Administrator. If you disagree with pre-printed data indicated in section G above, you must submit an explanation and/or documentation to the Settlement Administrator to justify your position, postmarked no later than [REDACTED]. The Settlement Administrator’s address is [Settlement Administrator address].

- **OPTION 2 – OBJECT TO THE SETTLEMENT**

If you wish to remain a Settlement Class Member, but you object to the proposed settlement (or any of its terms) and wish the Court to consider your objection at the Final Settlement Hearing, you may object to the proposed settlement in writing by filing a Notice of Objection. The Notice of Objection, if in writing, must be signed by you and state: (1) the case name and number; (2) your name; (3) your address; (4) the basis for your objection; and (5) whether you intend to appear at the Final Approval/Settlement Fairness Hearing. If you fail to make objections in writing in the manner specified above, you may still make an objection orally at the Final Settlement Hearing, either in person or through an attorney at your own expense, with the Court’s permission.

Written objections must be postmarked no later than [REDACTED] to the Settlement Administrator at [Settlement Administrator address].

- **OPTION 3 – EXCLUDE YOURSELF FROM THE SETTLEMENT**

You have a right to exclude yourself (“opt out”) from the Settlement Class, but if you choose to do so, you will not receive any benefits from the proposed settlement. You will not be bound by a judgment in this case (except that you will be bound by the PAGA Settlement’s release in section E above, whether you opt out or not) and you will have the right to file your own lawsuit against the Defendant and pursue your own claims in a separate suit. You can opt out of the Class by sending the enclosed Request for Exclusion form to the Settlement Administrator at [Settlement Administrator address]. Your Request for Exclusion form must be postmarked no later than [redacted] or it will be rejected.

There is no right for any member of the Settlement Class to opt out or otherwise exclude himself or herself from the Settlement of the PAGA claims in the Action.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing	You do not need to take any action if you wish to receive your settlement payment. If the settlement is approved by the Court, you will automatically be mailed a settlement check at the address on file with the Settlement Administrator. If your address has changed, you must notify the Settlement Administrator of your new address. In exchange for the settlement payment, you will release claims against the Defendant, as detailed below.
Object	Write to the Settlement Administrator about why you don’t like the settlement by the applicable deadline, as detailed below, and/or appear at the Final Approval Hearing to make an oral objection.
Exclude Yourself	To exclude yourself, you must send a written Request for Exclusion to the Settlement Administrator by the applicable deadline, as detailed below. If you request exclusion, you may receive no money from the Settlement . This is the only option that allows you to be part of any other lawsuit against 4Leaf, Inc. about the legal claims that were brought in this case. If you are also a PAGA Member, you may not exclude yourself from the PAGA Settlement herein.
Go to a Hearing	Ask to speak in Court about the fairness of the settlement, as detailed below.

ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you should review the detailed “Stipulation of Settlement of Class Action and PAGA Claims and Release of Claims” which is on file with the Clerk of the Court. The pleadings and other records in the Lawsuit may be examined at any time during regular business hours at the Office of the Clerk of the Butte County Superior Court, located at 1775 Concord Avenue, Chico, CA 95928.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact the Settlement Administrator at [address], [telephone number], or Gaines & Gaines, APLC, Counsel for the Class, at (866) 550-0855.

PLEASE DO NOT TELEPHONE THE COURT FOR INFORMATION ABOUT THIS SETTLEMENT OR THE CLAIMS PROCESS.

**BY ORDER OF THE SUPERIOR COURT OF
THE STATE OF CALIFORNIA**

REQUEST FOR EXCLUSION

ONLY COMPLETE THIS REQUEST FOR EXCLUSION FORM IF YOU WANT TO OPT OUT OF (NOT PARTICIPATE IN) THE SETTLEMENT OF THE ACTION KNOWN AS *Kayla Weinreich v. 4LEAF, Inc., and Does 1 Through 10, Inclusive, Defendants*, Butte County Superior Court, Case No. 21CV01146. **IF YOU OPT OUT OF THE SETTLEMENT, YOU WILL NOT RECEIVE ANY PORTION OF THE SETTLEMENT AMOUNT, EXCEPT, IF YOU ARE ALSO A PAGA MEMBER, YOU WILL STILL RECEIVE YOUR PRO RATA SHARE OF THE PAGA MEMBER PAYMENT.**

I confirm that I am or previously was employed by 4Leaf, Inc. in California and was classified as a non-exempt employee between May 4, 2017 and [REDACTED].

I do not wish to receive any payment under the terms of the proposed class action settlement or to otherwise participate in the proposed settlement. I understand that if I am also a PAGA Member, I will still receive my pro rata share of the PAGA Member Payment under the proposed settlement regardless of whether I choose to opt out of the Settlement.

Date: _____

Signature: _____

Print Name: _____

Last 4 Digits of SSN: _____

Residence Street Address: _____

City, State and Zip Code: _____

IN ORDER TO BE VALID, THIS REQUEST FOR EXCLUSION FORM MUST BE COMPLETED, SIGNED, MAILED BY FIRST CLASS MAIL, AND POSTMARKED ON OR BEFORE **[45 days after mailing of Notice]**. Send this signed request for exclusion form to the Settlement Administrator:

4Leaf Claims Administrator
c/o ILYM Group, Inc.
[REDACTED]
[REDACTED]

TITLE	Settlement Agreement
FILE NAME	Final Settlement Agreement.pdf
DOCUMENT ID	5d5d562a3b7c0a6d4cc60706bdae494aa8b0a3cd
AUDIT TRAIL DATE FORMAT	MM / DD / YYYY
STATUS	● Signed

Document History



SENT

09 / 01 / 2022

23:11:14 UTC

Sent for signature to Kayla Weinreich
(kjweinreich@gmail.com) from office@gaineslawfirm.com
IP: 47.181.216.90



VIEWED

09 / 02 / 2022

06:48:16 UTC

Viewed by Kayla Weinreich (kjweinreich@gmail.com)
IP: 23.242.112.117



SIGNED

09 / 02 / 2022

22:45:35 UTC

Signed by Kayla Weinreich (kjweinreich@gmail.com)
IP: 23.242.112.117



COMPLETED

09 / 02 / 2022

22:45:35 UTC

The document has been completed.