

1 **CLASS ACTION AND PAGA SETTLEMENT AGREEMENT**

2 This Class Action and PAGA Settlement Agreement and Release of Claims is entered into
3 by and between Plaintiff Kim Taylor Le, individually and on behalf of all others similarly situated,
4 and defendants Cresco Labs, Inc., Cresco Labs, SLO, LLC, Cresco Labs, LLC, and JDRC
5 Managed Services, LLC, and is approved by their respective counsel of record, subject to the
6 terms and conditions hereof and the Court's approval.

7 **A. Definitions**

8 1. "Action" or "Lawsuit" means and refers to the case entitled *Kim Taylor Le v.*
9 *Cresco Labs, Inc., et al.*, Sacramento County Superior Court Case No. 34-2021-00307088.

10 2. "Aggrieved Employees" include all non-exempt employees who have worked, or
11 continue to work, for Defendants in California from December 27, 2019, through Preliminary
12 Approval Date.

13 3. "Agreement," "Settlement Agreement," "Settlement," or "Stipulation" shall mean
14 this Class Action Settlement Agreement and Release of Claims, including any attached Exhibits.

15 4. "Class Claims" will include all claims alleged in Plaintiff's Complaint and First
16 Amended Complaint against Defendants for: Unpaid Overtime (California Labor Code §§ 510
17 and 1198); Meal Period Violations (California Labor Code §§ 226.7 and 512); Rest Period
18 Violations (California Labor Code § 226.7); Unpaid Minimum Wages (California Labor Code §§
19 1194, 1197 and 1197.1); Final Wages Not Timely Paid (California Labor Code §§ 201-203);
20 Wages Not Timely Paid During Employment (California Labor Code § 204); Non-Compliant
21 Wage Statements (California Labor Code § 226(a)); Failure to Keep Requisite Payroll Records
22 (California Labor Code § 1174(d); Unreimbursed Business Expenses (California Labor Code §§
23 2800 and 2802); and Violation of California Business and Professions Code §§ 17200, *et seq.*

24 5. "Class Counsel" refers to Mehrdad Bokhour of Bokhour Law Group, P.C. and
25 Joshua Falakassa of Falakassa Law, P.C.

26 6. "Class Data" means a complete list that Defendants will diligently and in good
27 faith compile from its records and provide to the Settlement Administrator on one spreadsheet
28 and shall include the Settlement Class Members' full names; last known addresses; telephone

1 numbers; Social Security Numbers; and dates of employment and/or number of Workweeks
2 Worked as non-exempt employees of Defendants during the Class Period and the PAGA Period
3 for each Settlement Class Member and Aggrieved Employee.

4 7. “Class Period” and “Class Release Period” shall mean March 2, 2017, through
5 Preliminary Approval Date.

6 8. “Class Representative” or “Plaintiff” means and refers to Kim Taylor Le.

7 9. “Complaint” refers to the First Amended Class and Representative Action
8 Complaint, attached hereto as Exhibit A, to be filed in the Sacramento County Superior Court
9 action entitled *Le v. Cresco Labs, Inc., et al.*, Case No. 34-2021-00307088.

10 10. “Court” means the California Superior Court, County of Sacramento, or any Court
11 of competent jurisdiction assuming jurisdiction of the Action.

12 11. “Defendants” means and refers to Cresco Labs, Inc., Cresco Labs, SLO, LLC,
13 Cresco Labs, LLC, and JDRC Managed Services, LLC.

14 12. “Defendants’ Counsel” or “Defense Counsel” means and refers to Eric M. Lloyd
15 and Phillip J. Ebsworth of Seyfarth Shaw LLP.

16 13. “Effective Date” means the date upon which both of the following have occurred:
17 (i) approval of the Settlement is granted by the Superior Court of California for the County of
18 Sacramento (the “Court”), or other court assuming jurisdiction of the Action, and (ii) the Court’s
19 Judgment approving the Settlement becomes Final.

20 14. “Final” means the latest of: (i) if there is an appeal of the Court’s Judgment, the
21 date the Judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of
22 the time to file a petition for review to the California Supreme Court, or, (ii) if a petition for
23 review is filed, the date of the California Supreme Court denies the petition for review or decides
24 not to respond and take no action, or the date the Judgment is affirmed pursuant to such petition;
25 or (iii) if no appeal is filed, the expiration date of the time for filing or noticing any appeal of the
26 Judgment.

27 15. “Final Approval” refers to the order of the Court granting final approval of this
28 Settlement Agreement and entering a judgment approving this Settlement on substantially the

1 same terms provided herein or as may be modified by subsequent agreement of the Parties or
2 order of the Court.

3 16. "Final Settlement Class" means, collectively, all Participating Class Members.

4 17. "Individual Settlement Amount" shall have the meaning ascribed to it in Paragraph
5 48(d)below.

6 18. "Net Settlement Amount" shall have the meaning ascribed to it in Paragraph 48(c)
7 below.

8 19. "Notice" means the notice of settlement of class action and PAGA Settlement that
9 will be sent to the Settlement Class Members and Aggrieved Employees, substantially in the same
10 form attached as Exhibit A.

11 20. "Notice Response Deadline" is Forty-Five (45) calendar days from the date the
12 Notice is mailed to the Settlement Class Members.

13 21. "Objections to Settlement of Released Class Claims" means a Participating Class
14 Member, other than Plaintiff, who submits a valid and timely objection to the terms of this
15 Agreement with respect to the Released Class Claims pursuant to Paragraph 68(c) below.

16 22. "PAGA" shall refer to the California Labor Code Private Attorneys General Act
17 of 2004, California Labor Code Sections 2698-2699.5.

18 23. "PAGA Claims" shall include any and all claims for civil penalties pursuant to
19 PAGA based on the allegations stated in the PAGA Notices and that were pled in the Complaint
20 and the First Amended Complaint against Defendants, including but not limited to, any alleged
21 violations of or relief under California Labor Code 201, 202, 203, 204, 210, 221, 226, 226.3,
22 226.7, 510, 512, 516, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198,
23 1199, 2800-2802, 2810.5, and the applicable provisions of the applicable IWC Wage Orders,
24 regardless of theory of recovery.

25 24. "PAGA Notices" shall refer to the notice sent by Plaintiff on or about June 23,
26 2021, and the supplemental notice submitted on or about November 23, 2021, to the LWDA and
27 to Defendants, alleging that Defendants engaged in violations of the California Labor Code and
28 California Wage Orders.

1 25. “PAGA Period” and “PAGA Release Period” shall mean December 27, 2019,
2 through Preliminary Approval Date.

3 26. “Participating Class Member” means any and all Settlement Class Members who
4 are deemed to participate and receive an Individual Settlement Amount for the Class Claims and
5 who do not opt-out of the settlement of the Released Class Claims by submitting timely valid
6 Requests for Exclusion.

7 27. “Parties” or “Settling Parties” mean Plaintiff, the Settlement Class Members, the
8 Aggrieved Employees, the State of California, and Defendants, collectively.

9 28. “Preliminary Approval Date” means the date the Court preliminarily approves the
10 Settlement Agreement, and the exhibits thereto, and enters the Preliminary Approval Order.

11 29. “Preliminary Approval Order” means the judicial Order to be entered by the Court,
12 upon the application or motion of Plaintiff, preliminarily approving this Settlement and providing
13 for the issuance of the Notice to the Settlement Class Members, an opportunity to opt out of
14 settlement of the Class Claims, an opportunity to submit timely objections to the terms of this
15 Settlement related to the Class Claims, and setting a hearing on the fairness of the terms of
16 Settlement, including approval of attorneys’ fees and costs.

17 30. “QSF” means the Qualified Settlement Fund set up by the Settlement
18 Administrator for the benefit of the Final Settlement Class and Aggrieved Employees, and from
19 which the settlement payments shall be made.

20 31. “Release” shall mean the release and discharge of the Released Class Claims by
21 Plaintiff and all of the Participating Class Members and the release and discharge of the Released
22 PAGA Claims by Plaintiff and all of the Aggrieved Employees.

23 32. “Released Parties” shall refer to Defendants, and all of their present and former
24 parent companies, subsidiaries, affiliates, shareholders, officers, directors, employees, agents,
25 servants, registered representatives, attorneys, insurers, successors and assigns.

26 33. “Request for Exclusion” shall have the meaning ascribed to it in Paragraph 68(a)
27 below.

34. “Service Payment” or “Service Award” means the amount approved by the Court to be paid to the Class Representative in addition to her Individual Settlement Amount as a Participating Class Member.

35. “Settlement Administration Costs” means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, translating the Notice into Spanish, tax reporting, due diligence, reporting and remittance obligations, distributing the Gross Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The Settlement Administration Costs shall be paid from the Gross Settlement Amount.

36. “Settlement Administrator” means and refers to Simpluris or ILYM Group, Inc. agreed to by the Parties, that will provide the Notice to the Class Members and distribute the settlement amounts as described in this Agreement.

37. “Settlement Amount” or “Gross Settlement Amount” shall have the meaning ascribed to it in Paragraph 48(a) below.

38. “Settlement Class Member” or “Class Member” refers to individual members of the Settlement Class.

39. “Settlement Class” and “Settlement Class Members” refers to all non-exempt employees who have worked, or continue to work, for Defendants in California during the Class Period.

40. “Workweeks Worked” for each Settlement Class Member and Aggrieved Employee means any workweek during the Class Period and/or the PAGA Period, as applicable, in which the Settlement Class Member and/or Aggrieved Employee was employed by Defendants as a non-exempt employee in California and worked at least one shift during the workweek.

B. General Terms

41. On or about August 27, 2021, Plaintiff Kim Taylor Le filed a PAGA representative action complaint in the Court against Cresco Labs, Inc., and Cresco Labs, SLO, LLC, including allegations of: (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) meal

1 period violations, (4) rest period violations, (5) waiting time penalties, and (6) wage statement
2 violations. Plaintiff will file a First Amended Class and Representative Action Complaint, in
3 substantially the same form as Exhibit B hereto, to assert additional claims (i.e., the Class Claims
4 and the PAGA Claims) and include all Defendants. Defendants shall then file an Answer,
5 following the filing of the First Amended Complaint, within the time permitted by the Code of
6 Civil Procedure.

7 42. Defendants deny Plaintiff's claims and allegations and contend that the Action is
8 not suitable for class certification and/or representative treatment.

9 43. The Class Representative believes she can proceed with her representative and
10 class claims, that the Action is meritorious, and that class certification is appropriate.

11 44. The Parties have conducted a thorough investigation into the facts of the Action.
12 This includes conducting extensive exchange of informal discovery, including Defendants'
13 written policies and practices and the production of payroll and timekeeping records for
14 Settlement Class Members and Aggrieved Employees. Class Counsel is both knowledgeable
15 about and has done extensive research with respect to the applicable law and potential defenses
16 to the claims of the Settlement Class Members and Aggrieved Employees. Class Counsel has
17 diligently pursued an investigation of the Class Members' claims against Defendants. Based on
18 the foregoing data and on their own independent investigation and evaluation, Class Counsel is
19 of the opinion that the settlement with Defendants for the consideration and on the terms set forth
20 in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the
21 Settlement Class Members and Aggrieved Employees in light of all known facts and
22 circumstances, including the risk of significant delay and uncertainty associated with litigation,
23 various defenses asserted by Defendant, and numerous potential appellate issues.

24 45. On April 13, 2022, the Parties participated in mediation before Daniel Turner,
25 Esq., a highly experienced wage and hour class action mediator. After a full-day mediation and
26 the issuance of a mediator's proposal, the Parties reached a settlement.

27 46. The Parties agree that neither the Parties' Settlement, this Agreement, nor the acts
28 to be performed or judgments to be entered pursuant to the terms of the Settlement and

Agreement, shall be construed as an admission by Defendants of any wrongdoing or violation of any statute or law or liability on the claims or allegations in the Action.

47. Stipulation for Class Certification and Representative Treatment. For settlement purposes only, Defendants will stipulate that the Settlement Class Members described herein who do not Request Exclusion from the Settlement Class may be certified as a settlement class and that the Aggrieved Employees are appropriate for representative treatment for purposes of settlement. This stipulation to certification and representative treatment is in no way an admission that class action certification and/or representative treatment is proper and shall not be admissible in this or in any other action except for the sole purposes of enforcing this Agreement. Should, for whatever reason, the Court fail to grant Final Approval, the Parties' stipulation to class certification and representative treatment as part of the Settlement shall become null and void *ab initio* and shall have no bearing on and shall not be admissible in connection with the issue of whether or not class certification and/or representative treatment would be appropriate in a non-settlement context. Defendants expressly reserve their rights (including, but not limited to, the right to seek to compel arbitration of any individual's claims) and declare that they will continue to oppose class certification, representative treatment, and the substantive merits of the case should the Court fail to grant Final Approval. Plaintiff shall withdraw her First Amended Complaint and re-file her original Complaint if Final Approval of the Settlement Agreement is not granted. Plaintiff expressly reserves her rights and declares that she will continue to pursue class certification and representative treatment and a trial should the Court fail to grant Final Approval.

C. Terms of Settlement

48. The financial terms of the Settlement are as follows:

(a) Gross Settlement Amount: The Parties agree to settle this Action for Eight Hundred Ninety Thousand Dollars and Zero Cents (\$890,000.00). The Gross Settlement Amount is the maximum amount that will be paid by Defendants, and includes Individual Settlement Amounts, attorneys' fees, costs and expenses of Class Counsel, the Service Payment to the Class Representative, all Settlement Administration Costs, payment to the Labor Workforce

Development Agency (LWDA) for PAGA penalties, and the employer share of any payroll taxes. In no event shall Defendants have to contribute monies in excess of the Gross Settlement Amount.

(b) The Settlement is based on Defendants' representation that there are approximately 28,352 Workweeks Worked from March 2, 2017 through December 31, 2021.

(c) Net Settlement Amount: The "Net Settlement Amount" is defined as the Gross Settlement Amount less attorneys' fees and litigation costs as approved and awarded by the Court, the Service Payment to the Class Representative as approved and awarded by the Court, the Settlement Administration Costs, as approved and awarded by the Court, and the Fifty Thousand Dollars (\$50,000.00) allocated to payment for PAGA penalties as described in paragraph 48(d)(i) below. In the event that the Court reduces the attorneys' fees and litigation costs or, Service Award, Settlement Administration Costs, or either increases or decreases the amount allocated to PAGA penalties, the Net Settlement Sum shall be increased or decreased accordingly.

(d) Individual Settlement Amounts for the Settlement Class: The Settlement Administrator will use the Class Data provided by Defendants to calculate each Participating Class Member's and Aggrieved Employee's Individual Settlement Amounts based on the following formula:

i. PAGA Amount: Fifty Thousand Dollars (\$50,000) of the Gross Settlement Amount has been designated to the PAGA claims (the "PAGA Amount"). Twenty-five percent (25%) of the Fifty Thousand Dollars (\$50,000), or Twelve Thousand Five Hundred Dollars (\$12,500), shall be paid to Aggrieved Employees. Each Aggrieved Employee shall receive a portion of the Twelve Thousand Five Hundred Dollars (\$12,500) proportionate to the number of Workweeks Worked by that Aggrieved Employee during the PAGA Period compared to the total number of Workweeks Worked by all Aggrieved Employees during the PAGA Period. Aggrieved Employees shall have their share of the PAGA Amount paid one hundred percent (100%) as civil penalties for which no taxes will be withheld and for which a Form 1099 will be issued by the Settlement Administrator. Any change in the requested PAGA Amount is not a material term of this Agreement. If the Court approves a lesser or greater amount than that requested, the other terms of this Agreement shall still remain in effect. However, some approval of a PAGA Amount

1 is a material term of the Settlement and this Agreement. If the Court does not approve a PAGA
2 Amount, then the entire Agreement will be, at Defendants' sole discretion, void and
3 unenforceable. In the event Defendants exercise this option, then the Settlement Administration
4 Costs shall be borne by Defendants.

5 ii. Class Amount: The Net Settlement Amount shall be allocated to each
6 Participating Class Member based on his or her proportionate Workweeks Worked during the
7 Class Period. This is determined by multiplying the Net Settlement Amount by a fraction, the
8 numerator of which is the Participating Class Member's total Workweeks Worked during the
9 Class Period, and the denominator of which is the total Workweeks Worked by all Participating
10 Class Members during the Class Period.

11 (e) Allocation of Individual Settlement Amounts: The Individual Settlement
12 Amounts will be allocated for tax purposes based on the allegations in the Action as follows: one-
13 third will be paid as wages subject to withholding of all applicable local, state, and federal taxes;
14 and two-thirds will be paid as interest, penalties, liquidated damages, and/or unreimbursed
15 business expenses from which no taxes will be withheld. The Settlement Administrator will issue
16 to each Participating Class Member an Internal Revenue Service Form W-2 and comparable state
17 forms with respect to the wage allocation and a Form 1099 with respect to the civil penalties and
18 interest allocations.

19 (f) Service Payment to Class Representative: The amount awarded to the Class
20 Representative as a Service Payment will be set by the Court in its discretion, not to exceed Ten
21 Thousand Dollars (\$10,000). Defendants agree not to oppose this request. The Service Payment
22 to Class Representative will be paid out of the Gross Settlement Amount. The Class
23 Representative will be issued IRS Form 1099 in connection with this payment. Plaintiff shall be
24 solely and legally responsible to pay any and all applicable taxes on this payment and shall
25 indemnify and hold harmless Defendants from any claim or liability for taxes, penalties, or
26 interest arising as a result of the Service Payment. The Parties agree that the amount of the Service
27 Payment is not a material term of this Settlement Agreement and that any amount awarded by the
28 Court as the Service Payment to Plaintiff less than the requested amount shall not be a basis for

1 Plaintiff or Class Counsel to void this Stipulation. Should the Court approve a lesser amount for
2 the Service Payment, the difference shall be added to the Net Settlement Amount to be distributed
3 to the Participating Class Members. In the event of any appeal of the amount of the Service
4 Payment (if any) approved by the Court, if, after the exhaustion of any such appellate review,
5 additional amounts not awarded to Class Representatives shall be added to the Net Settlement
6 Amount to be distributed to the Participating Class Members.

7 (g) Attorneys' Fees and Costs: Defendants agree to not oppose a request by Class
8 Counsel to the Court for an award of attorneys' fees of one-third (33.33%) of the Gross Settlement
9 Amount, plus reasonable litigation costs not to exceed \$15,000 ("Attorney's Fees and Cost
10 Award"). The Attorney's Fee and Cost Award shall be paid from the Gross Settlement Amount,
11 and except for this award, Defendants shall have no further obligation to pay any attorneys' fees,
12 costs or expenses to Class Counsel. Should the Court approve a lesser amount than what is sought
13 by Class Counsel, the difference shall be added to the Net Settlement Amount to be distributed to
14 the Participating Class Members. The amount of the Attorney's Fees and Cost Award is not a
15 material term of this Settlement Agreement and any Court order awarding less than the amount
16 sought by Class Counsel shall not be grounds to rescind the Settlement Agreement or otherwise
17 void the Settlement. In the event of any appeal of the amount of the Attorney's Fees and Cost
18 Award (if any) approved by the Court, final funding and administration of the portion of the
19 Attorney's Fees and Cost Award in dispute will be segregated and stayed pending the exhaustion
20 of appellate review. If, after the exhaustion of any such appellate review, additional amounts not
21 awarded to as attorneys' fees and costs shall be added to the Net Settlement Amount to be
22 distributed to the Participating Class Members. The Settlement Administrator shall issue to Class
23 Counsel an IRS Form 1099 reflecting the amount of attorneys' fees and costs awarded by the
24 Court. Class Counsel agrees that any allocation of fees between or among Class Counsel and any
25 other attorney representing or claiming to represent the Class Members shall be the sole
26 responsibility of Class Counsel.

27 (h) Settlement Administration Costs: The fees and other charges of the Settlement
28 Administrator will be paid from the Gross Settlement Amount, not to exceed Ten Thousand

Dollars (\$10,000), subject to Court approval, unless approved by all Parties and the Court. If the Court approves only a lesser amount, then the other terms of this Agreement shall still remain in effect. The amount of the Settlement Administration Costs is not a material term of this Agreement.

(j) Tax Liability: Each Participating Class Member and Aggrieved Employee shall have sole responsibility for any and all tax consequences applicable to any amounts they are paid pursuant to the Settlement. Class Counsel, Defendants, the Released Parties, and Defendants' Counsel make no representations and are not providing any opinion as to the tax treatment or legal effect of Settlement Amounts called for hereunder, and Plaintiff and the Settlement Class Members are not relying on any statement or representation by Class Counsel, Defendants, or Defendants' Counsel in this regard. Plaintiff and Final Settlement Class Members understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on their respective Settlement Amounts described herein. Income tax withholding will also be made pursuant to applicable federal, state and/or local withholding codes or regulations. Forms W-2 and/or Forms 1099 will be distributed at times and in the manner required by the Internal Revenue Code of 1986 (the "Code") and consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other applicable tax law, are changed after the date of this Agreement, the processes set forth in this Section may be modified in a manner to bring Defendants into compliance with any such changes. Defendants, the Released Parties, Defendants' Counsel and Class Counsel shall have no liability or responsibility whatsoever for any tax consequences resulting from payments made pursuant to the Settlement.

(k) CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE

1 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN
2 THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31
3 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED
4 EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX
5 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
6 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
7 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO
8 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
9 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY
10 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
11 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
12 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
13 OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF
14 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
15 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
16 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
17 AGREEMENT.

18 49. Class Counsel and Plaintiff believe that the Settlement is fair and reasonable, and
19 adequate, and will so represent same to the Court.

20 **D. Releases by Plaintiff, the Final Settlement Class and Aggrieved Employees**

21 50. Upon the Effective Date of this Settlement, Plaintiff and each Participating Class
22 Member, for themselves and for their respective spouses, domestic partners, marital community,
23 children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors,
24 administrators, trustees, conservators, guardians, assigns, and representatives, will forever
25 completely release and discharge Defendants and the Released Parties from those claims alleged
26 in the Complaint and the First Amended Complaint, as well as all claims arising from the
27 California Labor Code, wage orders and applicable regulations that could have been raised based
28 on the facts alleged, including: claims under Labor Code sections 201, 202, 203, 204, 210, 221,

226, 226.3, 226.7, 510, 512, 516, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2800-2802, 2810.5, as well as claims under California Business and Professions Code Section 17200 *et seq.* and/or Labor Code Section 2698 *et seq.* based on alleged violations of the above Labor Code provisions, the Fair Labor Standards Act (29 U.S.C. Section 201, *et seq.*) and the applicable provisions of the applicable IWC Wage Orders, regardless of theory of recovery (the “Released Class Claims”). Participating Class Members shall further agree to waive their right to pursue individual lawsuits or arbitrations as to any of the Released Class Claims against the Released Parties to the extent such Released Class Claims accrued during the Class Release Period. The back of all Individual Settlement Amount checks will provide that Settlement Class Members who endorse their check by signing the back of the check and depositing or cashing the check will opt in to the above-referenced Release of claims under the Fair Labor Standards Act (29 U.S.C. Section 201, *et seq.*), which releases and forever waives any and all claims the Settlement Class Member may have based on facts alleged in the Complaint or First Amended Complaint for violations of the Fair Labor Standards Act, and any and all claims for restitution, including without limitation back pay, attorneys’ fees and costs, interest, and liquidated damages under the FLSA. Each check shall be affixed with the following endorsement:

By cashing this check, you are releasing all claims, whether known or unknown, under the Fair Labor Standards Act, including without limitation claims for minimum wages, overtime wages, liquidated damages, interest, and/or penalties, that arose or accrued at any time from March 2, 2017 through [Preliminary Approval Date], arising from your time as an employee of Cresco Labs, Inc., Cresco Labs, SLO, LLC, Cresco Labs, LLC, and/or JDRC Managed Services, LLC. Your release does not include, however, any claims, rights, causes of action or liabilities that cannot be released as a matter of law.

51. Each Participating Class Member will be deemed to have made the foregoing Release as if by manually signing it.

52. Upon the Effective Date of this Settlement, Plaintiff, on behalf of herself and as a private attorney general on behalf of the State of California, and each Aggrieved Employee, for

1 themselves and for their respective spouses, domestic partners, marital community, children,
2 estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors,
3 administrators, trustees, conservators, guardians, assigns, and representatives, will forever
4 completely release and discharge Defendants and the Released Parties from any and all civil
5 penalty claims under the Private Attorneys General Act, Labor Code section 2698 *et seq.*, of
6 whatever kind or nature which occurred during the PAGA Release Period that were alleged, or
7 that reasonably could have been alleged, on the facts alleged in Plaintiff's PAGA Notices, her
8 Complaint and her First Amended Complaint, including but not limited to, any alleged violations
9 of or relief under California Labor Code sections 201, 202, 203, 204, 210, 221, 226, 226.3, 226.7,
10 510, 512, 516, 551, 552, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199,
11 2800-2802, 2810.5, and the applicable provisions of the applicable IWC Wage Orders, regardless
12 of theory of recovery (the "Released PAGA Claims").

13 53. Each Aggrieved Employee and the LWDA will be deemed to have made the
14 foregoing Release as if by manually signing it.

15 54. As to the Released Class Claims only, each Participating Class Member waives all
16 rights provided by California Civil Code section 1542, which states:

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

21 55. Plaintiff and Defendants intend that the Settlement described in this Agreement
22 will release and preclude any further claim, whether by lawsuit, administrative claim or action,
23 arbitration, demand, or other action of any kind, by each and all of the Participating Class
24 Members to obtain a recovery based on, arising out of, and/or related to any and all of the Released
25 Class Claims. The Settlement Class Members shall be so notified in the Notice. This paragraph
26 does not apply to any Settlement Class Member who timely and validly opts out of the Settlement.

27 56. Plaintiff and Defendants intend that the Settlement described in this Agreement
28 will release and preclude any further claim, whether by lawsuit, administrative claim or action,

1 arbitration, demand, or other action of any kind, by each and all of the Aggrieved Employees and
2 the LWDA to obtain a recovery based on, arising out of, and/or related to any and all of the
3 Released PAGA Claims. The Aggrieved Employees and the LWDA shall be so notified in the
4 Notice.

5 57. Class Representative, on behalf of herself and the Participating Settlement Class
6 Members, acknowledges and agrees that the claims for unpaid wages and unreimbursed expenses
7 in the Action, and for untimely payment of wages in the Action, are disputed, and that the
8 payments set forth herein constitute payment of all sums allegedly due to them. Class
9 Representatives, on behalf of themselves and the Participating Settlement Class Members,
10 acknowledge and agree that California Labor Code Section 206.5 is not applicable to the Parties
11 hereto. Section 206.5 provides in pertinent part as follows:

12 An employer shall not require the execution of any release of any claim or right on
13 account of wages due, or to become due, or made as an advance on wages to be
14 earned, unless payment of those wages has been made.

15 **E. Release by Class Representative**

16 58. As a material inducement to Defendants to enter into this Settlement Agreement,
17 in addition to the Class Representative's Release of the Released Class Claims and Released
18 PAGA Claims, as discussed in Paragraphs 50 and 52 above, Class Representative does hereby,
19 for herself and forever completely release and discharge Defendants, the Released Parties and
20 Higher Growth Search, LLC and all of its present and former parent companies, subsidiaries,
21 affiliates, shareholders, officers, directors, employees, agents, servants, registered
22 representatives, attorneys, insurers, successors and assigns (the "Higher Growth Released
23 Parties"), from any and all charges, complaints, claims, liabilities, obligations, promises,
24 agreements, contracts, controversies, damages, actions, causes of action, suits, rights, demands,
25 costs, losses, debts, and expenses (including for back wages, statutory penalties, civil penalties,
26 liquidated damages, exemplary damages, interest, attorneys' fees, and costs) of any nature
27 whatsoever, from the beginning of time through the execution of this Stipulation, whether known
28 or unknown, suspected or unsuspected, concealed or hidden, including but not limited to all

1 claims arising out of, based upon, or relating to Class Representative's relationships with
2 Defendants, the Released Parties and/or the Higher Growth Released Parties, including, without
3 limitation, claims for discrimination, harassment, or retaliation pursuant to Title VII of the Civil
4 Rights Act of 1964, 42 U.S.C. section 2000 *et seq.*, the California Fair Employment and Housing
5 Act, California Gov't Code Section 12900 *et seq.*, or any claims for violation of public policy, or
6 claims arising from the California Labor Code and the FLSA (collectively, the "Class
7 Representative's Claims"). This general release by Class Representative also includes a waiver
8 of rights under California Civil Code section 1542, which states:

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

13 Class Representative further agrees to a covenant not to sue Defendants, the Released Parties or
14 the Higher Growth Released Parties. Besides releasing the Class Representative's Claims, Class
15 Representative agrees never to sue Defendants, the Released Parties or the Higher Growth
16 Released Parties for any reason covered by the general release set forth in this paragraph. The
17 consideration for this general release set forth in this paragraph is the Service Payment to Class
18 Representative for the services she provided as named Plaintiff. Should the Court award Class
19 Representative Zero Dollars (\$0) as a Service Payment, there shall be no general release as to
20 Class Representative. However, Class Representative shall still be bound by the Release of the
21 Released Class Claims and the Released PAGA Claims set forth above.

22 **F. Interim Stay of Proceedings**

23 59. Pending completion of all of the prerequisites necessary to effectuate this
24 Settlement, the Parties agree, subject to Court approval, to a stay of all proceedings in the Action
25 except such as are necessary to effectuate the Settlement, including amending the operative
26 complaint.

27 **G. Notice Process**

28 60. Appointment of Settlement Administrator. The Parties have agreed to the

1 appointment of the Settlement Administrator to perform the duties of a Settlement Administrator,
2 including mailing the Notice, using standard devices to obtain forwarding addresses,
3 independently reviewing and verifying documentation associated with any claims or opt-out
4 requests, resolving any disputes regarding the calculation or application of the formula for
5 determining the Individual Settlement Amounts, drafting and mailing the settlement checks to
6 Final Settlement Class Members, issuing W-2 and 1099 Tax Forms, reporting to taxing
7 authorities, due diligence, reporting and remittance obligations, and performing such other tasks
8 as set forth herein or as the Parties mutually agree or that the Court orders.

9 61. Disputes Regarding Settlement Administration. Any and all disputes relating to
10 administration of the Settlement by the Settlement Administrator (except for disputes regarding
11 Class Data) shall be referred to the Court, if necessary, which will have continuing jurisdiction
12 over the terms and conditions of this Settlement Agreement, until Plaintiff and Defendants notify
13 the Court that all payments and obligations contemplated by this Settlement Agreement have been
14 fully carried out. Prior to presenting any issue to the Court, counsel for the Parties will confer in
15 good faith to resolve the dispute without the necessity of Court intervention. The Settlement
16 Administrator shall also be responsible for issuing to Plaintiff, Participating Class Members, and
17 Class Counsel any W-2, 1099, or other Tax Forms as may be required by law for all amounts paid
18 pursuant to this Agreement. The Settlement Administrator shall also be responsible for setting
19 up all necessary tax accounts and forwarding all payroll taxes and penalties to the appropriate
20 government authorities.

21 62. Class Data. Within fifteen (15) business days after entry of the Preliminary
22 Approval Order, Defendants shall provide the Class Data to the Settlement Administrator. The
23 Settlement Administrator will run a check of the Class Members' addresses against those on file
24 with the U.S. Postal Service's National Change of Address List. The Class Data provided to the
25 Settlement Administrator will not be provided to Class Counsel and it will remain confidential, it
26 shall be used solely to administer the Settlement, and it will not be used or disclosed to anyone,
27 except as required by applicable tax authorities, pursuant to Defendants' express written consent,
28 or by order of the Court.

63. Notice. The Notice, as jointly prepared by the Parties and approved by the Court, in substantially the form attached as Exhibit A, shall be sent by the Settlement Administrator to the Settlement Class Members, by first class mail, within ten (10) calendar days following the Settlement Administrator's receipt of the Class Data. The Settlement Administrator shall use standard devices, including a skip trace, to obtain forwarding addresses of Settlement Class Members if any envelopes are returned. The Notice shall include: (a) the amount of the Settlement; (b) a calculation of the Settlement Class Member's anticipated Individual Settlement Amount; (c) the full amounts of the requested Attorney's Fees and Costs Award, the Service Award, and Settlement Administration Costs to be awarded; (d) the terms of the Release and Settlement Class Members' waiver of their right to pursue litigation or arbitration of the Released Class Claims; (e) the procedure to opt out of the Settlement through a Request for Exclusion; (f) the procedure to object to the Settlement; and (g) the date of the Final Approval Hearing. No claim form will be required to participate in the Settlement.

64. Returned Notices. The Settlement Administrator will take steps to ensure that the Notice is received by all Settlement Class Members, including utilization of the National Change of Address Database maintained by the United States Postal Service to review the accuracy of and, if possible, update a mailing address. Notices will be re-mailed to any Settlement Class Member for whom an updated address is located within ten (10) calendar days following both the Settlement Administrator learning of the failed mailing and its receipt of the updated address. The Notice shall be identical to the original Notice, except that it shall notify the Settlement Class Member that the exclusion (opt-out) request or objection must be returned by the later of the Notice Response Deadline or fifteen (15) days after the remailing of the Notice.

65. Presumption Regarding Receipt of Notice. It will be conclusively presumed that if an envelope has not been returned within thirty (30) days of the mailing that the Settlement Class Member received the Notice.

66. Disputes Regarding Class Data. Settlement Class Members are deemed to participate in the Settlement, unless they opt-out. The Notice will inform Settlement Class Members of their estimated Individual Settlement Amount and the number of Workweeks

1 Worked during the Class Period and during the PAGA Period. Settlement Class Members may
2 dispute their Workweeks Worked if they feel they were employed more workweeks in the Class
3 Period in California than Defendants' records show by timely submitting evidence to the
4 Settlement Administrator. Defendants' records will be presumed determinative absent reliable
5 evidence to rebut Defendants' records, but the Settlement Administrator will evaluate the
6 evidence submitted by the Settlement Class Member and provide the evidence submitted to Class
7 Counsel and Defense Counsel who agree to meet and confer in good faith about the evidence to
8 determine the Class Member's actual number of Workweeks Worked and estimated Individual
9 Settlement Amount. If Class Counsel and Defense Counsel are unable to agree, they agree to
10 submit the dispute to the Court to render a final decision. Settlement Class Members will have
11 until the Notice Response Deadline to dispute Workweeks Worked, object or opt out, unless
12 extended by the Court.

13 67. Declaration of Due Diligence. The Settlement Administrator shall provide counsel
14 for the Parties, at least twenty-five (25) days prior to the final approval hearing, a declaration of
15 due diligence and proof of mailing with regard to the mailing of the Notice.

16 68. Settlement Class Members' Rights. Each Settlement Class Member will be fully
17 advised of the Settlement, the ability to object to the provisions in the Settlement related to the
18 Class Claims, and the ability to opt-out or request exclusion from the Class Claims provisions of
19 the Settlement. The Notice will inform the Settlement Class Members of the Court-established
20 deadlines for filing objections or requesting exclusion from the Class Claims provisions of the
21 Settlement in accordance with the following guidelines:

22 (a) Requests for Exclusion from Participating Settlement Class. Any
23 Settlement Class Member, other than Plaintiff, may request to be excluded from the Participating
24 Settlement Class by submitting a "Request for Exclusion" to the Settlement Administrator,
25 postmarked on or before the Notice Response Deadline. The Request for Exclusion should state
26 in words to this effect:

27 "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE LE
28 V. CRESCO LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED

1 FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY
2 FROM THE SETTLEMENT OF THE CLASS CLAIMS IN THIS LAWSUIT.”

3 Any Request for Exclusion must include the full name, address, telephone number, last
4 four digits of the social security number or date of birth, and signature of the Settlement Class
5 Member requesting exclusion. The Request for Exclusion must be returned by mail to the
6 Settlement Administrator at the specified address. Any such Request must be made in accordance
7 with the terms set forth in the Notice. A Request for Exclusion will be timely only if postmarked
8 by the Notice Response Deadline, unless the Parties otherwise agree in writing. Any Settlement
9 Class Member who timely requests exclusion in compliance with these requirements: (i) will not
10 have any rights under this Agreement with respect to the Released Class Claims, including the
11 right to object, appeal or comment on the Settlement; (ii) will not be entitled to receive any
12 payments under this Agreement with respect to the Released Class Claims; and (iii) will not be
13 bound by this Agreement, or the Judgment with respect to the Released Class Claims. The
14 Individual Settlement Amount of any Aggrieved Employee who submits a timely Request for
15 Exclusion shall consist solely of that Aggrieved Employee’s proportionate share of the PAGA
16 Amount, and such Aggrieved Employee shall remain bound by the release of the Released PAGA
17 Claims.

18 (b) Binding Effect on Final Settlement Class Members. Except for those
19 Settlement Class Members who exclude themselves in compliance with the procedures set forth
20 above, all Settlement Class Members will: (i) be deemed to be Participating Class Members for
21 all purposes under this Agreement; (ii) will be bound by the terms and conditions of this
22 Agreement, the Judgment, and the Release of the Released Class Claims and the Released PAGA
23 Claims set forth herein; and (iii) except as otherwise provided herein, will be deemed to have
24 waived all objections and oppositions to the fairness, reasonableness, and adequacy of the
25 Settlement.

26 (c) Objections to Settlement of Released Class Claims. Any Participating
27 Class Member, other than Plaintiff, may object to the terms of this Agreement with respect to the
28 Released Class Claims and may appear at the Final Approval Hearing. To object, a Participating

1 Class Member shall inform the Settlement Administrator, in writing, of his or her objection, which
2 must be postmarked by the Notice Response Deadline at the address set forth in the Notice. Such
3 objection shall include: (1) the full name, address, telephone number, last four digits of his or her
4 social security number and dates of employment with Defendants of the Objecting Participating
5 Class Member; (2) the case name and number; (3) the basis for the objection, including any legal
6 support and each specific reason in support of the objection, as well as any documentation or
7 evidence in support thereof; (4) whether the objection applies only to the Objecting Participating
8 Class Member, to a specific subset of the Settlement Class or to the entire Settlement Class; and
9 (5) if the Objecting Participating Class Member is represented by counsel, the name and address
10 of his or her counsel. If any Participating Settlement Class Member wishes to speak at the Final
11 Approval Hearing with respect to the Released Class Claims, that Objecting Participating Class
12 Member's written submission should include a request to be heard, and the Court will determine
13 whether Objecting Participating Class Members will be permitted to speak. The Settlement
14 Administrator shall provide objections, if any, to Class Counsel and Defense Counsel within three
15 (3) days of receipt, and the Settlement Administrator shall attach the same to its declaration of
16 due diligence it files with the Court prior to the Final Approval Hearing. Any Participating Class
17 Member who files an objection remains eligible to receive monetary compensation from the
18 Settlement and remains bound by this Agreement if it is approved by the Court. Plaintiff and
19 Defendants shall not be responsible for any fees, costs, or expenses incurred by any Objecting
20 Participating Class Member and/or their counsel related to any objections to the Settlement.
21 Submitting an objection does not preserve the right to appeal a final judgment. Rather, the right
22 to appeal is preserved by becoming a party of record by timely and properly intervening or filing
23 a motion to vacate the judgment under Code of Civil Procedure § 663. Settlement Class Members
24 and Aggrieved Employees may not object to or opt-out of the Settlement with respect to the
25 Released PAGA Claims. Each Party and their counsel agree not to encourage any Settlement
26 Class Member to submit an objection or a Request for Exclusion and agree not to retaliate against
27 any Settlement Class Member for participating or not participating in the Settlement that this
28 Agreement contemplates.

1 (d) Failure to Object. Any Participating Class Member who desires to object
2 with respect to the Released Class Claims but fails to timely submit a written objection waives
3 any right to object, will be foreclosed from making any objection to this Settlement. Any
4 Participating Class Member who does not timely and properly become a party of record by
5 intervening or filing a motion to vacate the judgment waives any and all rights to appeal from the
6 Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such
7 as a motion to vacate judgment, motion for new trial, a motion under California Code of Civil
8 Procedure section 473, and extraordinary writs.

9 (e) Responses to Objections. Counsel for the Parties may file a response to
10 any objections submitted by Objecting Participating Class Members at least five (5) court days
11 before the date of the Final Approval Hearing.

12 69. Settlement Class Members will have until the Notice Response Deadline to object
13 or submit a Request for Exclusion to the Settlement Administrator by U.S. Mail. The Settlement
14 Administrator shall disclose jointly to Class Counsel and Defendants' Counsel what objections
15 or Requests for Exclusion were timely submitted on a weekly basis, and upon the request of Class
16 Counsel or Defendants' Counsel.

17 70. Funding of the Gross Settlement Amount. Defendants shall make a one-time
18 deposit into the QSF of the Gross Settlement Amount, as described in Paragraph 48(a) that is
19 necessary to make all payments required under this Settlement, within thirty (30) calendar days
20 after the Effective Date, or, on the next regular business day following thirty (30) calendar days
21 after the Effective Date if that day falls on a weekend or holiday.

22 71. Distribution of Funds. No later than thirty (30) calendar days after deposit of the
23 payment into the QSF, the Settlement Administrator will mail the payments to the Participating
24 Class Members, the payment for the Attorney's Fees and Costs Award to Class Counsel, any
25 Service Payment to the Class Representative, the payment to the LWDA for PAGA penalties, and
26 will pay itself the Settlement Administration Costs.

27 72. Deadline for Cashing Settlement Checks. Final Settlement Class Members shall
28 have One Hundred Eighty 180 calendar days after mailing by the Settlement Administrator to

1 cash their settlement checks. If any Final Settlement Class Member's check is not cashed within
2 that period, the check will be void and a stop-payment will be issued. All unclaimed funds shall
3 be sent to the California Unclaimed Property Fund in the name of the Final Settlement Class
4 Member. The releases of the Released Class Claims and the Released PAGA Claims set forth
5 herein will be binding upon all Final Settlement Class Members who do not cash their checks
6 within the One Hundred Eighty (180) day period. In the event that any settlement check is
7 returned to the Settlement Administrator within One Hundred Eighty (180) days of mailing, the
8 Settlement Administrator will, within five (5) business days of receipt of the returned settlement
9 check, perform a skip trace to locate the individual. If a new address is located by these means,
10 the Administrator will have ten (10) business days to re-issue the check and will notify Defense
11 Counsel and Class Counsel that a re-issued check has been sent. Neither Defendants, Defense
12 Counsel, Class Counsel, Plaintiff, nor the Settlement Administrator will have any liability for lost
13 or stolen settlement checks, forged signatures on settlement checks, or unauthorized negotiation
14 of settlement checks. Without limiting the foregoing, in the event a Final Settlement Class
15 Member notifies the Settlement Administrator that he or she believes that a settlement check has
16 been lost or stolen, the Settlement Administrator shall immediately stop payment on such check.
17 If the check in question has not been negotiated prior to the stop payment order, the Settlement
18 Administrator will issue a replacement check.

19 73. No person shall have any claim against Defendants, Defendants' Counsel,
20 Plaintiff, Class Counsel, or the Settlement Administrator based on mailings, distributions,
21 payments or reports made in accordance with or pursuant to this Agreement. This provision does
22 not, however, prevent a Party from seeking enforcement of this Agreement.

23 74. Without prejudice to any other remedies, the Settlement Administrator shall agree
24 to be responsible for any breach of its obligations (whether committed by the Settlement
25 Administrator or its agents) and to indemnify and hold the Parties and their counsel harmless from
26 and against all liabilities, claims, causes of action, costs and expenses (including legal fees and
27 expenses) arising out of any breach committed by the Settlement Administrator or its agents.

28 ///

H. Duties of the Parties Prior to the Court's Approval

75. Following the execution of this Settlement Agreement, Plaintiff will move the Court for Preliminary Approval of this Settlement and entry of the Preliminary Approval Order accomplishing the following:

- (a) Scheduling the Final Approval Hearing on the issue of whether this Settlement should be finally approved as fair, reasonable and adequate as to the Class Members and a hearing on fees, costs and the Service Payment;
- (b) Approving as to form and content the proposed Notice;
- (c) Directing the mailing of the Notice by first class mail to the Settlement Class Members;
- (d) Preliminarily approving this Settlement; and
- (e) Preliminarily certifying the class for purposes of this Settlement.

Plaintiff shall provide Defendants with a draft of her Motion for Preliminary Approval at least Seven (7) days prior to filing so that Defendants can review and make comments on the motion. Plaintiff shall incorporate Defendants' comments to the extent they are consistent with this Settlement Agreement.

76. Reallocation of Settlement Proceeds. In the event the Court fails, on its first hearing, to approve this Agreement because the PAGA Amount is not adequate, then the Parties shall cooperate in good faith to reallocate the total settlement proceeds, within this Agreement, in order to try to achieve Final Approval of the Agreement upon any subsequent Court hearings.

I. Duties of the Parties Following Court's Final Approval

77. In connection with the Final Approval Hearing provided for in this Settlement Agreement, Class Counsel shall submit a Motion for Final Approval and a proposed Final Approval Order:

- (a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;
- (b) Approving Class Counsel's application for an award of attorneys' fees and reimbursement of litigation costs and expenses, the Service Payment to the Class Representative,

1 and the payment to the Settlement Administrator for costs of administering the Settlement; and

2 (c) Entering judgment approving the Settlement, thereby permanently barring all
3 Participating Class Members from prosecuting any Released Class Claims against any of the
4 Released Parties and permanently barring all Aggrieved Employees and the LWDA from
5 prosecuting any Released PAGA Claims against any of the Released Parties.

6 (d) Plaintiff shall provide Defendants with a draft of her Motion for Final Approval at
7 least Seven (7) days prior to filing so that Defendants can review and make comments on the
8 motion. Plaintiff shall incorporate Defendant's comments to the extent they are consistent with
9 the Settlement Agreement.

10 **J. Voiding the Agreement**

11 78. If the Court fails or refuses to issue the Final Approval Order or fails to approve
12 any material condition of this Settlement Agreement which effects a fundamental change of the
13 Settlement, the entire Settlement Agreement shall be rendered voidable and unenforceable as to
14 all Parties herein at the option of either Party.

15 79. Defendants shall have the right, in the exercise of their sole discretion, and within
16 Fifteen (15) business days of the end of any notice and opt out period, to terminate this Settlement
17 and render the Settlement null and void, if at least Five Percent (5%) of all Settlement Class
18 Members opt out of the Settlement. In the event Defendants exercise this option, the Parties shall
19 revert to *status quo ante* prior to this Settlement Agreement, without prejudice to their pre-
20 settlement positions and defenses in the Action. If Defendants exercise such option under this
21 paragraph, then Defendants shall be relieved of any obligation to pay the Gross Settlement
22 Amount or any other obligations from the Settlement by giving notice to Class Counsel and the
23 Settlement Administrator within Fifteen (15) business days of the Notice Response Deadline or
24 Fifteen (15) business days after the remailing of the Notice, whichever is later. If Defendants
25 exercise their option under this paragraph, Defendants shall be solely responsible for all
26 Settlement Administration Costs incurred to date.

27 80. If the Settlement is voided or fails for any reason, Plaintiff and Defendants will
28 have no further obligations under the Settlement, including any obligation by Defendants to pay

1 the Gross Settlement Amount, or any amounts that otherwise would have been owed under this
2 Settlement.

3 81. If the Settlement is voided or fails for any reason, any costs incurred by the
4 Settlement Administrator shall be borne equally by Defendants and Plaintiff, unless otherwise
5 specified in this Agreement.

6 **K. Other Terms**

7 82. Full and Complete Defense. This Agreement may be pleaded by any Released
8 Party as a full and complete defense to and may be used as the basis for an injunction against, any
9 action, suit or other proceeding that has been or may be instituted, prosecuted or attempted,
10 asserting any Released Claim.

11 83. Waiver. The waiver by one Party of any breach of this Agreement by another
12 Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

13 84. Parties' Authority. The signatories hereto represent that they are fully authorized
14 to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions
15 hereof.

16 85. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to
17 accomplish the terms of this Settlement Agreement, including but not limited to, execution of
18 such documents and to take such other action as may reasonably be necessary to implement the
19 terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best
20 efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that
21 may become necessary by order of the Court, or otherwise, to effectuate this Settlement
22 Agreement and the terms set forth herein. As soon as practicable after execution of this
23 Settlement Agreement, Class Counsel shall, with the assistance and cooperation of Defendants
24 and Defendants' Counsel, take all necessary steps to secure the Court's preliminary and final
25 approval of the Settlement, and the final entry of Judgment.

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

1 cause of action or rights released and discharged by this Settlement Agreement.

2 87. No Admission. Defendants deny any and all liability to Plaintiff and/or any
3 Settlement Class Member in this Action, as to any and all causes of action that were asserted or
4 that might have been asserted in this Action. Nonetheless, Defendants wish to settle and
5 compromise the matters at issue in the Complaint to avoid further substantial expense and the
6 inconvenience and distraction of protracted and burdensome litigation. Defendants also have
7 taken into account the uncertainty and risks inherent in litigation, and without conceding any
8 infirmity in the defenses that they have asserted or could assert against Plaintiffs, have determined
9 that it is desirable and beneficial that Plaintiff's claims be settled in the manner and upon the
10 terms and conditions set forth in this Agreement.

11 88. Inadmissibility of Agreement. Whether or not the Court issues the Final Approval
12 Order, nothing contained herein, nor the consummation of this Settlement Agreement, is to be
13 construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part
14 of Defendants or any of the other Released Parties. Each of the Parties hereto has entered into
15 this Settlement Agreement with the intention of avoiding further disputes and litigation with the
16 attendant inconvenience and expenses. This Settlement Agreement is a settlement document, and
17 it, along with all related documents such as the notices, and motions for preliminary and final
18 approval, shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of
19 Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to
20 approve the Settlement, and/or interpret or enforce this Settlement Agreement. The stipulation
21 for class certification as part of this Settlement Agreement is for settlement purposes only and if,
22 for any reason the settlement is not approved, the stipulation will be of no force or effect.

23 89. No Impact on Employee Benefits. No payment made under this Agreement shall
24 be considered as compensation or hours worked or hours paid for purposes of determining
25 eligibility, vesting, participation, or contributions with respect to any employee benefit plan. For
26 purposes of this Agreement, the term "benefit plan" means every ERISA "employee benefit plan,"
27 as defined in the Employee Retirement and Income Security Act of 1974 ("ERISA"), 29 U.S.C.
28 section 1002(3). The term also includes any 401(k) plan, bonus, pension, stock option, stock

1 purchase, stock appreciation, welfare, profit sharing, retirement, disability, vacation, severance,
2 hospitalization, insurance, incentive, deferred compensation, or any other similar benefit plan,
3 practice, program, or policy, regardless of whether any such plan is considered an ERISA
4 employee benefit plan.

5 90. Language of Settlement Documents. All settlement-related documents to be filed
6 with the Court or sent to Class Members must be approved by Plaintiff and Defendants before
7 being filed or sent.

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

12 To the Settlement Class Members and Aggrieved Employees:

13 Mehrdad Bokhour
14 *mehrdad@bokhourlaw.com*
15 1901 Avenue of the Stars, Suite 450
16 Los Angeles, California 90067
Tel: (310) 975-1493; Fax: (310) 675-0861

Joshua Falakassa
josh@falakassalaw.com
1901 Avenue of the Stars, Suite 450
Los Angeles, California 90067
Tel: (818) 456-6168; Fax: (888) 505-0868

17 To Defendants:

18
19 Eric M. Lloyd
elloyd@seyfarth.com
20 Phillip J. Ebsworth, Esq.
pebsworth@seyfarth.com
21 560 Mission Street, 31st Floor
22 San Francisco, California 94105
23 Tel: (415) 397-2823; Fax: (415) 397-8549

24 92. Construction. The Parties hereto agree that the terms and conditions of this
25 Settlement Agreement are the result of lengthy, intensive arms' length negotiations between the
26 Parties and that this Settlement Agreement shall not be construed in favor of or against any Party
27 by reason of the extent to which any Party or her or its counsel participated in the drafting of this
28 Settlement Agreement. Plaintiff and Defendants expressly waive the common-law and statutory

rule of construction that ambiguities should be construed against the drafter of an agreement and further agree, covenant, and represent that the language in all parts of this Agreement shall be in all cases construed as a whole, according to its fair meaning.

93. Captions and Interpretations. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

94. Modification. This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by all of the Parties hereto.

95. Dispute Resolution. Prior to instituting legal action to enforce the provisions of this Agreement or to declare rights and/or obligations under this Agreement, a Party shall provide written notice to the other Party and allow an opportunity to cure the alleged deficiencies, and Plaintiff and Defendants agree to seek the help of the mediator identified in this Agreement to resolve any dispute they are unable to resolve informally. During this period, the Parties shall bear their own attorneys' fees and costs. This provision shall not apply to any legal action or other proceeding instituted by any person or entity other than Plaintiff or Defendants.

96. Court Retains Jurisdiction. The Parties agree that upon the entry of Judgment of dismissal pursuant to the terms of this Agreement, that, pursuant to Code of Civil Procedure Section 664.6, the Court shall retain exclusive and continuing equity jurisdiction of this Action over all Parties to interpret, enforce, and effectuate the terms, conditions, intents and obligations of this Agreement.

97. Enforceability. Pursuant to California Evidence Code Section 1123(a) and (b), this Agreement is intended by the Parties to be, and shall be, enforceable, binding and admissible in a court of law.

98. Choice of Law. This Settlement Agreement shall be governed by and construed, enforced and administered in accordance with the laws of the State of California, without regard

1 to its conflicts-of-law rules.

2 99. Integration Clause. This Settlement Agreement contains the entire agreement
3 between the Parties relating to the Settlement and transaction contemplated hereby, and all prior
4 or contemporaneous agreements, understandings, representations, and statements, whether oral
5 or written and whether by a Party or such Party's legal counsel, are merged herein. No rights
6 hereunder may be waived except in writing.

7 100. Binding On Assigns. This Settlement Agreement shall be binding upon and inure
8 to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators,
9 successors, and assigns.

10 101. Signatures of All Class Members Unnecessary to be Binding. It is agreed that,
11 because the members of the Settlement Class are numerous, it is impossible or impractical to have
12 each Participating Class Member execute this Settlement Agreement. The Notice will advise all
13 Class Members of the binding nature of the releases provided herein and such shall have the same
14 force and effect as if this Settlement Agreement were executed by each Participating Class
15 Member.

16 102. Counterparts. This Settlement Agreement may be executed in counterparts, and
17 when each Party has signed and delivered at least one such counterpart, each counterpart shall be
18 deemed an original, and, when taken together with other signed counterparts, shall constitute one
19 fully signed Settlement Agreement, which shall be binding upon and effective as to all Parties.
20 Electronic signatures shall have the same force and effect as an original. A Party may sign and
21 deliver this Agreement by signing on the designated signature block and transmitting that
22 signature page via facsimile or as an attachment to an email to counsel for the other Party. Any
23 such signature shall be deemed an original for purposes of this Agreement and shall be binding
24 upon the Party who transmits the signature page.

25 103. Exhibits Incorporated by Reference. This Agreement includes the terms set forth
26 in any attached exhibit. Any exhibit to this Agreement is an integral part of it.

27 104. Invalidity of Any Provision. Before declaring any provision of this Agreement
28 invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible

consistent so as to render all provisions of this Agreement enforceable.

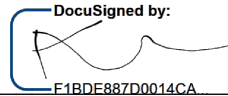
105. Confidential Information. Class Counsel will destroy all confidential documents and information provided by Defendants within Sixty (60) calendar days after the completion of the administration of this Agreement. Class Counsel further agree that none of the information provided by Defendants shall be used for any purpose other than prosecution of this Action.

106. Publicity. Neither Plaintiff nor Class Counsel shall cause to be publicized, directly or indirectly, any discussion resulting in or the existence of this Settlement Agreement or its terms in any type of mass media, including, but not limited to, speeches, press conferences, press releases, interviews, television or radio broadcasts, newspapers, website postings, messages on the Internet, Facebook, Twitter or any other social media, prior to preliminary approval. Breach of this provision shall entitle Defendants, in the exercise of their sole discretion, to nullify this Settlement Agreement at any time before the Effective Date. Nothing in this Stipulation shall preclude Class Counsel from communicating with members of the Settlement Class after preliminary approval.

APPROVAL AND EXECUTION BY PARTIES:

5/11/2022
Dated: May __, 2022

CLASS REPRESENTATIVE:

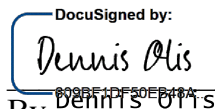
DocuSigned by:

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Kim Taylor Le

Dated: May __, 2022

DEFENDANTS:

CRESO LABS, INC., CRESO LABS, SLO, LLC,
CRESO LABS, LLC, AND JDRC MANAGED
SERVICES, LLC

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By Dennis Otis

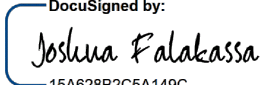
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1 **APPROVED AS TO FORM:**

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3 5/11/2022
4 Dated: May __, 2022

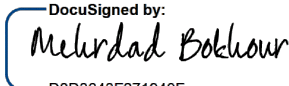
CLASS COUNSEL

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7 Attorneys for Plaintiffs

8 5/11/2022
9 Dated: May __, 2022

BOKHOUR LAW GROUP, P.C.

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11 Mehrdad Bokhour
12 Attorneys for Plaintiffs

13 Dated: May 16, 2022

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