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NORTH STATE GROCERY, INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SHASTA

KIANA ANDERBERG, individually, and on
behalf of other members of the general public
similarly situated,

Plaintiff,

vs.

NORTH STATE GROCERY INC., a California
corporation; HOLIDAY RANCHES, INC., a
California corporation; and DOES 1 through 10,
inclusive,

Defendants.

Case No.: CVCV21-0197480

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

MARY NAPOLES, and on behalf of all others
similarly situated,

Plaintiff,

vs.

NORTH STATE GROCERY, INC., d/b/a SAV-
MOR FOODS, a California Corporation; and
DOES 1-10, inclusive,

Defendants.

Case No. 22CV-0200995
[Consolidated with Case No.
22CV-0200996]

formatted in Microsoft Office Excel and will include each Class Member's full name; most recent mailing address and telephone number; Social Security number; dates of employment; the respective number of Workweeks that each Class Member worked during the Class Period and PAGA Period; and any other relevant information needed to calculate settlement payments.

5. "Class Member(s)" or "Settlement Class" means all persons who worked for Defendant as non-exempt, hourly paid employees in the State of California at any time from June 4, 2017 through either (a) the date of Preliminary Approval, or (b) May 31, 2023, whichever is earlier.

6. "Class Notice" means the Notice of Class Action Settlement, substantially in the form attached as Exhibit A.

7. "Class Period" means the period from June 4, 2017 through either (a) the date of Preliminary Approval, or (b) May 31, 2023, whichever is earlier.

8. "Class Representative Enhancement Payments" means the amounts to be paid to Plaintiffs in recognition of their effort and work in prosecuting the Actions on behalf of Class Members, and for their general release of claims. Subject to the Court granting final approval of this Settlement Agreement and subject to the exhaustion of any and all appeals, Plaintiffs will request Court approval of Class Representative Enhancement Payments of up to Ten Thousand Dollars (\$10,000), each.

9. "Court" means the Shasta County Superior Court.

10. "Defendant" means Defendant North State Grocery, Inc.

11. "Effective Date" means the later of: (a) if no timely objections are filed, or are withdrawn prior to Final Approval, then the date of Final Approval; or (b) if a Class Member files an objection to the Settlement, the Effective Date shall be the sixty-first (61) calendar day after the date of Final Approval, provided no appeal is initiated by an objector; or (c) if a timely appeal is initiated by an objector, then the Effective Date will be the date of final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

12. "Final Approval" means the date on which the Court enters an order granting final approval of the Settlement Agreement.

13. "Gross Settlement Amount" means the Gross Settlement Amount of Three Million One Hundred Twenty-Five Thousand Dollars (\$3,125,000), to be paid by Defendant in full satisfaction of all

Released Class Claims and Released PAGA Claims, which includes all Individual Settlement Payments, Attorneys' Fees and Costs, the Class Representative Enhancement Payments, the PAGA Settlement Amount, and Settlement Administration Costs. This Gross Settlement Amount has been agreed to by Plaintiffs and Defendant based on the aggregation of the agreed-upon settlement value of individual claims. In no event will Defendant be liable for more than the Gross Settlement Amount except as otherwise explicitly set forth herein. There will be no reversion of the Gross Settlement Amount to Defendant. Defendant will be separately responsible for any employer payroll taxes required by law, including the employer FICA, FUTA, and SDI contributions, which shall not be paid from the Gross Settlement Amount.

14. "Individual Settlement Payment" means each Participating Class Member's and PAGA Member's respective shares of the Net Settlement Fund and PAGA Fund.

15. "Net Settlement Fund" means the portion of the Gross Settlement Amount remaining after deducting the Attorneys' Fees and Costs, the Class Representative Enhancement Payments, the PAGA Settlement Amount, and Settlement Administration Costs. The Net Settlement Fund will be distributed to Participating Class Members. There will be no reversion of the Net Settlement Fund to Defendant.

16. "Notice of Objection" means a Class Member's valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector's full name, signature, address, and telephone number, (b) a written statement of all grounds for the objection accompanied by any legal support for such objection; (c) copies of any papers, briefs, or other documents upon which the objection is based; and (d) a statement whether the objector intends to appear at the final fairness hearing.

17. "PAGA Members" means all persons who worked for Defendant as non-exempt, hourly paid employees in the State of California at any time from June 4, 2020 through either (a) the date of Preliminary Approval, or (b) May 31, 2023, whichever is earlier.

18. "PAGA Period" means the period from June 4, 2020 through either (a) the date of Preliminary Approval, or (b) May 31, 2023, whichever is earlier.

19. "PAGA Settlement Amount" means the amount that the Parties have agreed to pay to the Labor and Workforce Development Agency ("LWDA") and PAGA Members in connection with

1 Plaintiffs' claim under the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698,
2 *et seq.*, "PAGA") ("PAGA Settlement"). The Parties have agreed that One Hundred Thousand Dollars
3 (\$100,000) of the Gross Settlement Amount will be allocated to the PAGA Settlement. Pursuant to PAGA,
4 Seventy-Five Percent (75%), or Seventy Five Thousand Dollars (\$75,000), of the PAGA Settlement
5 Amount will be paid to the California Labor and Workforce Development Agency ("Labor and Workforce
6 Development Agency Payment"), and Twenty-Five Percent (25%), or Twenty Five Thousand Dollars
7 (\$25,000) ("PAGA Fund"), of the PAGA Settlement will be disbursed to PAGA Members, regardless of
8 whether they request to be excluded from the Settlement Class.

9 20. "Parties" means Plaintiffs and Defendant collectively.

10 21. "Participating Class Members" means all Class Members who do not submit timely and
11 valid Requests for Exclusion.

12 22. "Plaintiffs" means Plaintiffs Kiana Anderberg and Mary Napoles.

13 23. "Preliminary Approval" means the date on which the Court enters an order granting
14 preliminary approval of the Settlement Agreement.

15 24. "Released Class Claims" means all claims, rights, demands, liabilities, and causes of
16 action, reasonably arising from, or reasonably related to, the same set of operative facts as those set forth
17 in the operative complaint during the Class Period, including: (a) all claims for unpaid overtime; (b) all
18 claims for meal and rest break violations; (c) all claims for unpaid minimum wages; (d) all claims for the
19 failure to timely pay wages upon termination based on the preceding claims; (e) all claims for the failure
20 to timely pay wages during employment based on the preceding claims; (f) all claims for the failure to
21 reimburse for necessary business expenses; (g) all claims for the failure to provide one day's rest in seven;
22 (h) all claims for wage statement violations based on the preceding claims; and (i) all claims asserted
23 through California Business & Professions Code §§ 17200, *et seq.*

24 25. "Released PAGA Claims" means all claims for civil penalties under California Labor
25 Code §§ 2698, *et seq.*, that were brought or could reasonably have been brought based on the facts alleged
26 in Plaintiffs' LWDA letter during the PAGA Period.

27 26. "Released Parties" means Defendant, its past or present officers, directors, shareholders,
28 agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and its

1 respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys, if any.

2 27. “Request for Exclusion” means a timely letter submitted by a Class Member indicating a
3 request to be excluded from the Settlement Class. The Request for Exclusion must: (a) set forth the name,
4 address, telephone number and last four digits of the Social Security Number of the Class Member
5 requesting exclusion; (b) be signed by the Class Member; (c) be returned to the Settlement Administrator;
6 (d) clearly state that the Class Member does not wish to be included in the Settlement; and (e) be faxed or
7 postmarked on or before the Response Deadline.

8 28. “Response Deadline” means the deadline by which Class Members must postmark or fax
9 to the Settlement Administrator Requests for Exclusion, postmark or fax disputes concerning the
10 calculation of Individual Settlement Payments, or postmark Notices of Objection to the Settlement
11 Administrator. The Response Deadline will be forty-five (45) calendar days from the initial mailing of the
12 Class Notice by the Settlement Administrator, unless the forty-fifth (45th) calendar day falls on a Sunday
13 or State holiday, in which case the Response Deadline will be extended to the next day on which the U.S.
14 Postal Service is open.

15 29. “Settlement Administration Costs” means the costs payable from the Gross Settlement
16 Amount to the Settlement Administrator for administering this Settlement, including, but not limited to,
17 printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Gross
18 Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The
19 Settlement Administration Costs will be paid from the Gross Settlement Amount, including, if necessary,
20 any such costs in excess of the amount represented by the Settlement Administrator as being the maximum
21 costs necessary to administer the Settlement. Based on an estimated Settlement Class of approximately
22 4,374 Class Members, the Settlement Administration Costs are currently estimated to be Twenty-Six
23 Thousand Dollars (\$26,000).

24 30. “Settlement Administrator” means CPT Group, Inc., or any other third-party class action
25 settlement administrator agreed to by the Parties and approved by the Court for the purposes of
26 administering this Settlement. The Parties each represent that they do not have any financial interest in the
27 Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could
28 create a conflict of interest.

31. “Workweeks” means the number of days of employment for each Class Member during the Class Period, subtracting days on leave of absence (if any), dividing by seven (7), and rounding up to the nearest whole number. All Class Members will be credited with at least one Workweek during the Class Period, and all PAGA Members will be credited with at least one Workweek during the PAGA Period.

TERMS OF AGREEMENT

The Plaintiffs, on behalf of themselves and the Settlement Class, and Defendant agree as follows:

32. Funding of the Gross Settlement Amount. Defendant will make a one-time deposit of the Gross Settlement Amount of Three Million One Hundred Twenty-Five Thousand Dollars (\$3,125,000) into a Qualified Settlement Account to be established by the Settlement Administrator. Defendant will pay the employer's share of payroll taxes separately. After the Effective Date, the Gross Settlement Amount will be used for: (a) Individual Settlement Payments; (b) the Labor and Workforce Development Agency Payment; (c) the Class Representative Enhancement Payments; (d) Attorneys' Fees and Costs; and (e) Settlement Administration Costs. Defendant will deposit the Gross Settlement Amount and the employer's share of payroll taxes within thirty (30) calendar days of the Effective Date ("Funding Date").

33. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application or motion by Class Counsel for Attorneys' Fees and Costs of not more than One Million Forty One Thousand Six Hundred Sixty Seven Dollars (\$1,041,667), plus the reimbursement of all out-of-pocket costs and expenses associated with Class Counsel's litigation and settlement of the Actions (including expert/consultant fees, investigations costs, etc.), not to exceed Forty Thousand Dollars (\$40,000), both of which will be paid from the Gross Settlement Amount. The award of attorneys' fees will be divided as follows: Eighty-Nine Percent (89%) to Capstone Law APC and Eleven Percent (11%) to James Hawkins APLC.

34. Class Representative Enhancement Payments. In exchange for a general release, and in recognition of their effort and work in prosecuting the Actions on behalf of Class Members, Defendant agrees not to oppose or impede any application or motion for Class Representative Enhancement Payments of up to Ten Thousand Dollars (\$10,000), each, to Plaintiffs. The Class Representative Enhancement Payments will be paid from the Gross Settlement Amount and will be in addition to

1 Plaintiffs' Individual Settlement Payment paid pursuant to the Settlement. Plaintiffs will be solely and
2 legally responsible to pay any and all applicable taxes on the Class Representative Enhancement
3 Payments. Plaintiffs understand and agree that this Settlement Agreement shall remain in full force and
4 effect even if the full amount of Class Representative Enhancement Payments sought by Plaintiffs is not
5 ultimately awarded by the Court.

6 35. Settlement Administration Costs. The Settlement Administrator will be paid for the
7 reasonable costs of administration of the Settlement and distribution of payments from the Gross
8 Settlement Amount, which is currently estimated to be Twenty-Six Thousand Dollars (\$26,000). These
9 costs, which will be paid from the Gross Settlement Amount, will include, *inter alia*, the required tax
10 reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing
11 Class Notices, calculating and distributing the Gross Settlement Amount, and providing necessary reports
12 and declarations.

13 36. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount
14 of One Hundred Thousand Dollars (\$100,000) from the Gross Settlement Amount will be designated for
15 satisfaction of Plaintiffs' PAGA claim. Pursuant to PAGA, Seventy-Five Percent (75%), or Seventy Five
16 Thousand Dollars (\$75,000), of this sum will be paid to the LWDA and Twenty-Five Percent (25%), or
17 Twenty Five Thousand Dollars (\$25,000), will be paid to PAGA Members in proportion to the number of
18 Workweeks worked during the PAGA Period.

19 37. No Right to Exclusion or Objections to the PAGA Settlement. Because this settlement
20 resolves claims and actions brought pursuant to PAGA by Plaintiffs acting as proxies and as Private
21 Attorneys General of, and for, the State of California and the LWDA, the Parties agree that no PAGA
22 Member has the right to exclude himself or herself from the release of the Released PAGA Claims, and
23 all PAGA Members will receive their shares of the PAGA Fund. The Parties also agree that no PAGA
24 Member has the right to object to the PAGA Settlement Amount.

25 38. Net Settlement Fund. The entire Net Settlement Fund will be distributed to Participating
26 Class Members. No portion of the Net Settlement Fund will revert to or be retained by Defendant.

27 39. PAGA Fund. The entire PAGA Fund will be distributed to all PAGA Members. No
28 portion of the PAGA Fund will revert to or be retained by Defendant.

1 40. Individual Settlement Payment Calculations. Individual Settlement Payments will be
2 calculated and apportioned from the Net Settlement Fund and PAGA Fund based on the number of
3 Workweeks a Class Member worked during the Class Period and PAGA Period. Specific calculations of
4 Individual Settlement Payments will be made as follows:

5 40(a) Payments from the Net Settlement Fund. Defendant will calculate the total
6 number of Workweeks worked by each Class Member during the Class
7 Period and the aggregate total number of Workweeks worked by all Class
8 Members during the Class Period. To determine each Class Member's
9 estimated "Individual Settlement Payment" from the Net Settlement Fund,
10 the Settlement Administrator will use the following formula: The Net
11 Settlement Fund will be divided by the aggregate total number of
12 Workweeks, resulting in the "Workweek Value." Each Class Member's
13 "Individual Settlement Payment" will be calculated by multiplying each
14 individual Class Member's total number of Workweeks by the Workweek
15 Value. The Individual Settlement Payment will be reduced by any required
16 deductions for each Participating Class Member as specifically set forth
17 herein, including employee-side tax withholdings or deductions. The entire
18 Net Settlement Fund will be disbursed to all Class Members who do not
19 submit timely and valid Requests for Exclusion. If there are any valid and
20 timely Requests for Exclusion, the Settlement Administrator shall
21 proportionately increase the Individual Settlement Payment for each
22 Participating Class Member according to the number of Workweeks worked,
23 so that the amount actually distributed to the Settlement Class equals 100%
24 of the Net Settlement Fund.

25 40(b) Payments from the PAGA Fund. Defendant will calculate the total number
26 of Workweeks worked by each PAGA Member during the PAGA Period and
27 the aggregate total number of Workweeks worked by all PAGA Members
28 during the PAGA Period. To determine each PAGA Member's estimated

1 “Individual Settlement Payment,” the Settlement Administrator will use the
2 following formula: The PAGA Fund will be divided by the aggregate total
3 number of Workweeks, resulting in the “PAGA Workweek Value.” Each
4 PAGA Member’s “Individual Settlement Payment” will be calculated by
5 multiplying each individual PAGA Member’s total number of Workweeks
6 by the PAGA Workweek Value. The entire PAGA Fund will be disbursed to
7 all PAGA Members.

8 41. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
9 Participating Class Members under this Settlement, as well as any other payments made pursuant to this
10 Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any
11 Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k)
12 plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan.

13 42. Administration Process. The Parties agree to cooperate in the administration of the
14 settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in
15 administration of the Settlement.

16 43. Delivery of the Class List. Within twenty (20) calendar days of Preliminary Approval,
17 Defendant will provide the Class List to the Settlement Administrator and to Class Counsel.

18 44. Notice by First-Class U.S. Mail. Within ten (10) calendar days after receiving the Class
19 List from Defendant, the Settlement Administrator will mail a Class Notice to all Class Members via
20 regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

21 45. Confirmation of Contact Information in the Class Lists. Prior to mailing, the Settlement
22 Administrator will perform a search based on the National Change of Address Database for information
23 to update and correct for any known or identifiable address changes. Any Class Notices returned to the
24 Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via
25 regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator
26 will indicate the date of such re-mailing on the Class Notice. If no forwarding address is provided, the
27 Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or
28 other search using the name, address and/or Social Security number of the Class Member involved, and

1 will then perform a single re-mailing. Those Class Members who receive a re-mailed Class Notice,
2 whether by skip-trace or by request, will have either (a) an additional fifteen (15) calendar days or (b) until
3 the Response Deadline, whichever is later, to submit a Request for Exclusion or an objection to the
4 Settlement.

5 46. Class Notices. All Class Members will be mailed a Class Notice. Each Class Notice will
6 provide: (a) information regarding the nature of the Actions; (b) a summary of the Settlement's principal
7 terms; (c) the Settlement Class and PAGA Member definitions; (d) the total number of Workweeks each
8 respective Class Member and PAGA Member worked for Defendant during the Class Period and PAGA
9 Period; (e) each Class Member's and PAGA Member's estimated Individual Settlement Payment and the
10 formula for calculating Individual Settlement Payments; (f) the dates which comprise the Class Period and
11 PAGA Period; (g) instructions on how to submit Requests for Exclusion or Notices of Objection; (h) the
12 deadlines by which the Class Member must postmark or fax Request for Exclusions, or postmark Notices
13 of Objection to the Settlement; and (i) the claims to be released.

14 47. Disputed Information on Class Notices. Class Members will have an opportunity to
15 dispute the information provided in their Class Notices. To the extent Class Members dispute their
16 employment dates or the number of Workweeks on record, Class Members may produce evidence to the
17 Settlement Administrator showing that such information is inaccurate. Defendant's records will be
18 presumed correct, but the Settlement Administrator shall contact the Parties regarding the dispute and the
19 Parties will work in good faith to resolve it. All disputes must be submitted by the Response Deadline, and
20 will be decided within ten (10) business days after the Response Deadline.

21 48. Defective Submissions. If a Class Member's Request for Exclusion is defective as to the
22 requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The
23 Settlement Administrator will mail the Class Member a cure letter within three (3) business days of
24 receiving the defective submission to advise the Class Member that his or her submission is defective and
25 that the defect must be cured to render the Request for Exclusion valid. The Class Member will have until
26 (a) the Response Deadline or (b) fifteen (15) calendar days from the date of the cure letter, whichever date
27 is later, to postmark or fax a revised Request for Exclusion. If the revised Request for Exclusion is not
28 postmarked or received by fax within that period, it will be deemed untimely.

1 49. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
2 Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement
3 Administrator within the Response Deadline. In the case of Requests for Exclusion that are mailed to the
4 Settlement Administrator, the postmark date will be the exclusive means to determine whether a Request
5 for Exclusion has been timely submitted.

6 50. Escalator. The Gross Settlement Amount was calculated with, and is premised on, the
7 understanding that Class Members worked approximately 260,000 Workweeks during the Class Period.
8 If the actual number of workweeks worked by Class Members eligible to participate in the Settlement is
9 greater than 7.5% of this estimate, then Defendant has the option to either: (a) agree to increase the Gross
10 Settlement Amount on a proportional basis above 7.5% (i.e., if there is an 8.5% increase in the number of
11 workweeks during the Class Period, Defendant would agree to increase the Gross Settlement Amount by
12 1%); or (b) elect to end the Class Period on an earlier date at the Defendant's discretion in order to limit
13 the covered workweeks to 7.5% more than the estimate provided in lieu of paying an increase to the Gross
14 Settlement Amount.

15 51. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member
16 who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid Request
17 for Exclusion will be bound by all of its terms, including those pertaining to the Released Class Claims, as
18 well as any Judgment that may be entered by the Court if it grants final approval to the Settlement.

19 52. Releases by Participating Class Members. Upon the Funding Date, and except as to such
20 rights or claims as may be created by this Settlement Agreement, each Participating Class Member,
21 together and individually, on their behalf and on behalf of their respective heirs, executors, administrators,
22 agents, and attorneys, shall fully and forever release and discharge all of the Released Parties, or any of
23 them, from each of the Released Class Claims arising during the Class Period.

24 53. Releases by PAGA Members. Upon the Funding Date, and except as to such rights or
25 claims as may be created by this Settlement Agreement, each PAGA Member, together and individually,
26 on their behalf and on behalf of their respective heirs, executors, administrators, agents, and attorneys, shall
27 fully and forever release and discharge all of the Released Parties, or any of them, from each of the
28 Released PAGA Claims during the PAGA Period.

1 54. Defendant's Right to Rescind. Defendant will have, in its sole discretion, the right to void
2 and withdraw from the Settlement if, at any time prior to Final Approval, Five Percent (5%) or more of
3 Class Members opt out of the settlement. Defendant must exercise this right of rescission in writing to
4 Class Counsel within fourteen (14) calendar days after the Response Deadline. If the option to rescind is
5 exercised, then Defendant will be solely responsible for all Settlement Administration Costs incurred to
6 the date of rescission.

7 55. Objection Procedures. To object to the Settlement Agreement, a Class Member may either
8 postmark a valid Notice of Objection to the Settlement Administrator on or before the Response Deadline,
9 or appear in person at the Final Approval Hearing. Class Members who fail to object either by submitting
10 a valid Notice of Objection or appearing in person at the Final Approval Hearing will be deemed to have
11 waived all objections to the Settlement and will be foreclosed from making any objections, whether by
12 appeal or otherwise, to the Settlement Agreement. At no time will any of the Parties or their counsel seek
13 to solicit or otherwise encourage Class Members to submit written objections to the Settlement Agreement
14 or appeal from the final approval order and judgment. Class Counsel will not represent any Class Members
15 with respect to any such objections to this Settlement. If a Class Member timely submits both a Notice of
16 Objection and a Request for Exclusion, the Request for Exclusion will be given effect and considered
17 valid, the Notice of Objection shall be rejected, and the Class Member shall not participate in or be bound
18 by the Settlement.

19 56. Certification Reports Regarding Individual Settlement Payment Calculations. The
20 Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report that
21 certifies the number of Class Members who have submitted valid Requests for Exclusion or objections to
22 the Settlement, and whether any Class Member has submitted a challenge to any information contained in
23 their Class Notice. Additionally, the Settlement Administrator will provide to counsel for both Parties any
24 updated reports regarding the administration of the Settlement Agreement as needed or requested.

25 57. Distribution Timing of Individual Settlement Payments. Within ten (10) calendar days of
26 the Funding Date, the Settlement Administrator will issue payments to: (a) Participating Class Members
27 and PAGA Members; (b) the Labor and Workforce Development Agency; (c) Plaintiffs; and (d) Class
28 Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved services

1 performed in connection with the Settlement.

2 58. Un-cashed Settlement Checks. Funds represented by Individual Settlement Payment
3 checks returned as undeliverable and Individual Settlement Payment checks remaining un-cashed for more
4 than one hundred and eighty (180) calendar days after issuance will be tendered to the Justice Gap Fund
5 operated by The State Bar of California.

6 59. Certification of Completion. Upon completion of administration of the Settlement, the
7 Settlement Administrator will provide a written declaration under oath to certify such completion to the
8 Court and counsel for all Parties.

9 60. Treatment of Individual Settlement Payments. All Individual Settlement Payments will
10 be allocated as follows: (a) Twenty-Five Percent (25%) of each Individual Settlement Payment will be
11 allocated as wages for which IRS Forms W-2 will be issued; and (b) Seventy-Five Percent (75%) will be
12 allocated as non-wages for which IRS Forms 1099-MISC will be issued.

13 61. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
14 will be responsible for issuing to Plaintiffs, Participating Class Members, PAGA Members, and Class
15 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this
16 Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes and
17 penalties to the appropriate government authorities.

18 62. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect of
19 the payments called for hereunder, and Plaintiffs and Participating Class Members are not relying on any
20 statement, representation, or calculation by Defendant or by the Settlement Administrator in this regard.

21 63. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES
22 OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS
23 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”)
24 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO
25 WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR
26 THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL
27 ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
28 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY

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

15 64. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that
16 they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
17 encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or
18 right herein released and discharged.

19 65. Nullification of Settlement Agreement. In the event that: (a) the Court does not finally
20 approve the Settlement as provided herein; or (b) the Settlement does not become final for any other reason,
21 then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void.
22 Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be
23 treated as void from the beginning.

24 66. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the Court to request
25 the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order
26 for: (a) conditional certification of the Settlement Class for settlement purposes only, (b) preliminary
27 approval of the proposed Settlement Agreement, (c) setting a date for a final fairness hearing. The
28 Preliminary Approval Order will provide for the Class Notice to be sent to all Class Members as specified

1 herein. In conjunction with the Preliminary Approval hearing, Plaintiffs will submit this Settlement
2 Agreement, which sets forth the terms of this Settlement, and will include the proposed Notice of Class
3 Action Settlement, attached as Exhibit A. Class Counsel will be responsible for drafting all documents
4 necessary to obtain preliminary approval. Class Counsel will provide their draft motion for preliminary
5 approval to Defendant's counsel for review and input at least three business days in advance of the deadline
6 to file the preliminary approval motion.

7 67. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
8 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the
9 Court's permission, a final fairness hearing will be conducted to determine the Final Approval of the
10 Settlement Agreement along with the amounts properly payable for: (a) Attorneys' Fees and Costs; (b) the
11 Class Representative Enhancement Payments; (c) Individual Settlement Payments; (d) the Labor and
12 Workforce Development Agency Payment; (e) all Settlement Administration Costs. The final fairness
13 hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Class Counsel
14 will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will
15 provide their draft motion for final approval to Defendant's counsel for review and input at least three
16 business days in advance of the deadline to file the final approval motion. Class Counsel will also be
17 responsible for drafting the attorneys' fees and costs application to be heard at the final approval hearing.

18 68. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the Court
19 or after the final fairness hearing, the Parties will present the Judgment to the Court for its approval. After
20 entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (a)
21 the interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters,
22 and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement
23 Agreement. A copy of the Judgment will be posted to the Settlement Administrator's website.

24 69. Release by Plaintiffs. Upon the Funding Date, in addition to the claims being released by
25 all Participating Class Members, Plaintiffs will release and forever discharge the Released Parties, to the
26 fullest extent permitted by law, of and from any and all claims, whether known or unknown, which exist
27 or may exist on either Plaintiff's behalf as of the date of this Agreement, including but not limited to any
28 and all tort claims, contract claims, wage claims, wrongful termination claims, disability claims, benefit

1 claims, public policy claims, retaliation claims, statutory claims, personal injury claims, emotional distress
2 claims, invasion of privacy claims, defamation claims, fraud claims, quantum meruit claims, and any and
3 all claims arising under any federal, state or other governmental statute, law, regulation or ordinance,
4 including, but not limited to claims for violation of the Fair Labor Standards Act, the California Labor
5 Code, the Wage Orders of California's Industrial Welfare Commission, other state wage and hour laws,
6 the Americans with Disabilities Act, the Age Discrimination in Employment Act (ADEA), the Employee
7 Retirement Income Security Act, Title VII of the Civil Rights Act of 1964, the California Fair Employment
8 and Housing Act, the California Family Rights Act, the Family Medical Leave Act, California's
9 Whistleblower Protection Act, California Business & Professions Code Section 17200 et seq., and any
10 and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance.
11 Plaintiffs further expressly waive any and all rights and benefits conferred upon them by the provisions of
12 Section 1542 of the California Civil Code or similar provisions of applicable law which are as follows:

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

19 Thus, notwithstanding the provisions of section 1542, and to implement a full and complete release and
20 discharge of the Released Parties, Plaintiffs expressly acknowledge this Settlement Agreement is intended
21 to include in its effect, without limitation, all claims Plaintiffs do not know or suspect to exist in Plaintiffs'
22 favor at the time of signing this Settlement Agreement, and that this Settlement Agreement contemplates
23 the extinguishment of any such claims. Plaintiffs warrant that Plaintiffs have read this Settlement
24 Agreement, including this waiver of California Civil Code section 1542, and that Plaintiffs have consulted
25 with or had the opportunity to consult with counsel of Plaintiffs' choosing about this Settlement Agreement
26 and specifically about the waiver of section 1542, and that Plaintiffs understand this Settlement Agreement
27 and the section 1542 waiver, and so Plaintiffs freely and knowingly enter into this Settlement Agreement.
28 Plaintiffs further acknowledge that Plaintiffs later may discover facts different from or in addition to those

1 Plaintiffs now know or believe to be true regarding the matters released or described in this Settlement
2 Agreement, and even so Plaintiffs agrees that the releases and agreements contained in this Settlement
3 Agreement shall remain effective in all respects notwithstanding any later discovery of any different or
4 additional facts. Plaintiffs expressly assume any and all risk of any mistake in connection with the true
5 facts involved in the matters, disputes, or controversies released or described in this Settlement Agreement
6 or with regard to any facts now unknown to Plaintiffs relating thereto.

7 70. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the
8 terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
9 herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

10 71. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the
11 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements
12 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section 1625
13 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is to be
14 construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the
15 Parties agree that no such extrinsic oral or written representations or terms will modify, vary or contradict
16 the terms of this Settlement Agreement.

17 72. Amendment or Modification. No amendment, change, or modification to this Settlement
18 Agreement will be valid unless in writing and signed, either by the Parties or their counsel, and approved
19 by the Court.

20 73. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
21 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
22 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to
23 this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate
24 the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and
25 use their best efforts to affect the implementation of the Settlement. If the Parties are unable to reach
26 agreement on the form or content of any document needed to implement the Settlement, or on any
27 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
28 may seek the assistance of the Court to resolve such disagreement.

74. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

75. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto will be governed by and interpreted according to the laws of the State of California.

76. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and scanned copies of the signature page, will be deemed to be one and the same instrument.

77. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate and reasonable settlement of the Actions and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

78. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

79. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only; except, however, that Plaintiffs or Class Counsel may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court, and either party may appeal any court order that materially alters the Settlement Agreement's terms.

80. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to class action certification for purposes of the Settlement only. If, for any reason, the Settlement is not approved, the stipulation to certification will be void. The Parties further agree that certification for purposes of the Settlement is not an admission that class action certification is proper under the standards applied to contested certification motions and that this Settlement Agreement will not be admissible in this or any other proceeding as evidence that either (a) a class action should be certified or (b) Defendant is

liable to Plaintiffs or any Class Member, other than according to the Settlement's terms.

81. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering into this Settlement, Defendant does not admit, and specifically denies, that it violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, will be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement, this Settlement Agreement and its terms and provisions will not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

82. 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.

83. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

84. Enforcement Actions. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

85. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by

counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

86. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel. Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

87. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

88. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

89. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 7/27/2023

DocuSigned by:
Kiana A.
D7ADD885E23E4AB...

Kiana Anderberg

PLAINTIFF

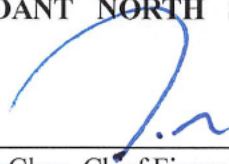
Dated: 7/25/2023

DocuSigned by:
Mary Naples
95590CF20B88485...

Mary Napoles

DEFENDANT NORTH STATE GROCERY,
INC.

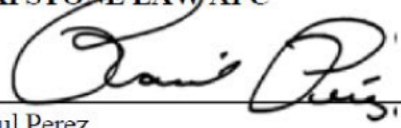
Dated: 7/25/2023


Michel LeClerc, Chief Financial Officer

APPROVED AS TO FORM

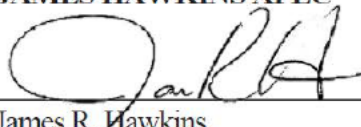
CAPSTONE LAW APC

Dated: 7/27/2023

By: 
Raul Perez
Attorneys for Plaintiff Kiana Anderberg

JAMES HAWKINS APLC

Dated: 7/25/2023

By: 
James R. Hawkins
Attorneys for Plaintiff Mary Napoles

DUGGAN MCHUGH

Dated: July 25, 2023

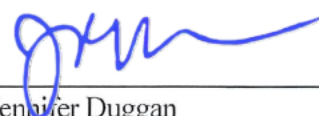
By: 
Jennifer Duggan
Attorneys for Defendant North State Grocery, Inc.

Exhibit A

Anderberg v. North State Grocery Inc., Case No. CVCV21-0197480
Napoles v. North State Grocery, Inc., Case No. 22CV-0200995
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF SHASTA
NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully

To: All persons who worked for Defendant North State Grocery, Inc. (“Defendant”) as non-exempt, hourly paid employees in the State of California at any time from June 4, 2017 through **May 31, 2023** (“Class Members”).

All persons who worked for Defendant as non-exempt, hourly paid employees in the State of California at any time from June 4, 2020 through **May 31, 2023** (“PAGA Members”).

On _____, the Honorable Tamara L. Wood of the Shasta County Superior Court granted preliminary approval of this class action settlement and ordered the litigants to notify all Class Members of the settlement. **You have received this notice because Defendant’s records indicate that you are a Class Member, and therefore entitled to a payment from the settlement.**

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. The Final Fairness Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at **:00 .m. on _____**, 2023 in Department 8 of the Shasta County Superior Court located at 1500 Court Street, Redding, California 96001.

Please also note that the Final Fairness Hearing may be rescheduled by the Court to another date and/or time. Please visit **[settlement website]** for any scheduling changes.

If you move, you must send the Settlement Administrator your new address; otherwise, you may never receive your settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be deemed a “Participating Class Member,” and will be eligible for a payment from the Net Settlement Fund and PAGA Fund. In exchange, you will be bound by the terms of the proposed Settlement and give up your right to assert wage and hour claims and PAGA penalty claims against Defendant based on the facts alleged in the Action during the applicable Class Period and PAGA Period.
You Can Opt-out of the Class Settlement but not the PAGA Settlement	If you don’t want to fully participate in the proposed Settlement, you can opt-out of the class settlement by sending the Settlement Administrator a written Request for Exclusion. Once excluded, you will no longer be eligible for a payment from the Net Settlement Fund and will not be bound by the terms of the proposed class settlement.
The Opt-out Deadline is [DATE]	You cannot opt-out of the PAGA portion of the proposed Settlement. PAGA Members remain eligible to receive a payment from the PAGA Fund and must give up their rights to pursue PAGA penalty claims against Defendants based on the facts alleged in the Action during the PAGA Period.

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [DATE]	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed class settlement, but not the PAGA settlement.
You Can Participate in the [DATE] Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [DATE] in Department 8 of the Shasta County Superior Court located at 1500 Court Street, Redding, California 96001. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. If the Court grants final approval of the Settlement despite your objection, you will receive a payment from the Net Settlement Fund and you will be bound by the terms of the Settlement.

Summary of the Litigation

Plaintiffs Kiana Anderberg and Mary Napoles, on their behalf and on behalf of other current and former non-exempt employees, allege that Defendant violated California state labor laws as a result of its alleged failure to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with meal and rest breaks; (3) timely pay all wages owed to employees during each pay period and upon termination of their employment; (4) reimburse employees for all necessary business expenses; (5) provide employees a day’s rest in seven; and (6) provide employees with accurate, itemized wage statements. Defendant has denied, and continues to deny the factual and legal allegations in the case and believes that it has valid defenses to Plaintiffs’ claims. Specifically, Defendant contends that Defendant properly paid members of the class all wages and overtime that was due; that Defendant provided members of the class with all legally required meal breaks and rest breaks; that Defendant paid any members of the class all wages due them at the time of their terminations and during their employment; that Defendant provided accurate, itemized wage statements to members of the class; that Defendant did not violate California Business and Professions Code section 17200 *et seq.*; that Defendant reimbursed employees for all required business expenses; and that Defendant is not liable for any of the penalties claimed or that could be claimed in the Action.

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On April 4, 2023, the parties participated in a mediation with Cynthia Remmers, Esq., an experienced and well-respected class action mediator. With Ms. Remmers’ guidance, the parties were able to negotiate a complete settlement of Plaintiffs’ claims.

Counsel for Plaintiffs, and the attorneys appointed by the Court to represent the class, Capstone Law APC and James Hawkins APLC (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

By agreeing to settle, Defendant is not admitting liability on any of the factual allegations or claims in the cases or that the cases can or should proceed as class actions. Defendant has agreed to settle the cases as part of a compromise with Plaintiffs.

Summary of The Proposed Settlement Terms

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

Plaintiffs and Defendant have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$3,125,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) Class Representative Enhancement Payments of \$10,000, each, to Kiana Anderberg and Mary Naples for their services on behalf of the class, and for a release of all claims arising out of their employment with Defendant; (3) \$1,041,667 in attorneys' fees and up to \$40,000 in litigation costs and expenses; (4) a \$100,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA"), inclusive of a \$75,000 payment to the California Labor and Workforce Development Agency ("LWDA") in connection with the PAGA, and a \$25,000 payment ("PAGA Fund") to all PAGA Members; and (5) reasonable Settlement Administrator's fees and expenses currently estimated at \$. After deducting the above payments, a total of approximately \$ will be allocated to Class Members who do not opt out of the Settlement Class ("Net Settlement Fund"). Additionally, all PAGA Members will receive a proportional share of the \$25,000 PAGA Fund, regardless whether they opt out of the Settlement Class.

Payments from Net Settlement Fund. Defendant will calculate the total number of Workweeks worked by each Class Member from June 4, 2017 through May 31, 2023 ("Class Period") and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member's estimated share of the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks, resulting in the "Workweek Value." Each Class Member's share of the Net Settlement Fund will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Class Members as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Class Member's share of the Net Settlement Fund according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

According to Defendant's records, you worked during the Class Period in a non-exempt position for a total of Workweeks. Accordingly, your estimated payment from the Net Settlement Fund is approximately \$.

Payments from PAGA Fund. Defendant will calculate the total number of Workweeks worked by each PAGA Member from June 4, 2020 through May 31, 2023 ("PAGA Period") and the aggregate total number of Workweeks worked by all PAGA Members during the PAGA Period. To determine each PAGA Member's estimated share of the PAGA Fund, the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Workweeks, resulting in the "PAGA Workweek Value." Each PAGA Member's share of the PAGA Fund will be calculated by multiplying each individual PAGA Member's total number of Workweeks by the PAGA Workweek Value. A Request for Exclusion does not exclude a PAGA Member from the release of claims under California Labor Code §§ 2698, *et seq.* and the PAGA Member will receive their portion of the PAGA fund even if he or she submits a valid Request for Exclusion.

According to Defendant's records, you worked during the PAGA Period in a non-exempt position for a total of Workweeks. Accordingly, your estimated payment from the PAGA Fund is approximately \$.

Your Estimated Payment: Based on the above, your estimated payment from the settlement is approximately \$. If you believe the Workweek information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked or faxed on or before [insert date of Response Deadline] and must be sent to:

Settlement Administrator
c/o
Fax No.

Questions? Contact the Settlement Administrator toll free at 1-***-***-****

If you dispute the information stated above, Defendant's records will control unless you are able to provide documentation that establishes otherwise.

Taxes on Settlement Payments. IRS Forms W-2 and 1099 will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this settlement, 25% of each settlement payment will be allocated as wages for which IRS Forms W-2 will be issued, and 75% will be allocated as non-wages for which IRS Forms 1099-MISC will be issued.

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

Your Options Under the Settlement

Option 1 – *Automatically Receive a Payment from the Settlement*

If you want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, you will be deemed to have released or waived the Released Class Claims and Released PAGA Claims:

Released Class Claims: All claims, rights, demands, liabilities, and causes of action, reasonably arising from, or reasonably related to, the same set of operative facts as those set forth in the operative complaint during the Class Period, including: (a) all claims for unpaid overtime; (b) all claims for meal and rest break violations; (c) all claims for unpaid minimum wages; (d) all claims for the failure to timely pay wages upon termination based on the preceding claims; (e) all claims for the failure to timely pay wages during employment based on the preceding claims; (f) all claims for the failure to reimburse for necessary business expenses; (g) all claims for the failure to provide one day's rest in seven; (h) all claims for wage statement violations based on the preceding claims; and (i) all claims asserted through California Business & Professions Code §§ 17200, *et seq.*

Released PAGA Claims: All claims for civil penalties under California Labor Code §§ 2698, *et seq.*, that were brought or could reasonably have been brought based on the facts alleged in Plaintiffs' LWDA letter during the PAGA Period.

Option 2 – *Opt Out of the Settlement*

If you do not wish to participate in the settlement, you may exclude yourself from participating by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement. The written request for exclusion must include your name, signature, address, telephone number, and last four digits of your Social Security Number. Sign, date, and mail the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

Settlement Administrator

c/o _____

The Request for Exclusion must be postmarked or faxed not later than _____, 2023. If you submit a Request for Exclusion which is not postmarked or faxed by _____, 2023, your Request for Exclusion will be rejected, and you will be included in the settlement class.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive a Payment from the Net Settlement Fund.
- Not release the Released Class Claims.
- If you are a PAGA Member, you will still release the Released PAGA Claims, and will receive a payment from the PAGA Fund.

Option 3 – Object to the Settlement

If you decide to object to the settlement because you find it unfair or unreasonable, you may submit a written objection stating why you object to the settlement, or you may instead appear at the Final Fairness Hearing to object to the Settlement. Written objections must provide: (1) your full name, signature, address, and telephone number, (2) a written statement of all grounds for the objection accompanied by any legal support for such objection; (3) copies of any papers, briefs, or other documents upon which the objection is based; and (4) a statement about whether you intend to appear at the Fairness Hearing. The objection must be mailed to the administrator at [administrator's address].

All written objections must be received by the administrator by not later than [redacted] 2023. By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only.

You may also, if you wish, appear at the Final Fairness Hearing set for [redacted] at [redacted] a.m./p.m. in the Superior Court of the State of California, for the County of Shasta and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Class Claims and Released PAGA Claims.

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator, Class Counsel, or Defendant's counsel.

Raul Perez
Capstone Law APC
1875 Century Park E., Suite 1000
Los Angeles, CA 90067
Phone: Number

James R. Hawkins
James Hawkins, APLC
9880 Research Drive, Suite 200
Irvine, CA 92618
Phone: 1 (949) 387-7200

Counsel for Defendant:
Jennifer E. Duggan, Esq.
Christina Bucci Hamilton, Esq.
Duggan McHugh Law Corporation
640 Fulton Ave., Suite 100
Sacramento, CA 95825
Tel.: (916) 550-5309
Fax: (916) 404-5900

E-Mail: jennifer@dugganmchugh.com

Questions? Contact the Settlement Administrator toll free at 1-[redacted]

christina@dugganmchugh.com

PLEASE DO NOT CONTACT THE CLERK OF THE COURT OR THE JUDGE WITH INQUIRIES.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******