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And VINO FARMS, LLC

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN JOAQUIN

PEDRO IBARRA, individually and on
behalf of all others similarly situated,

Plaintiff,

vs.

VINO FARMS, INC., a California
corporation; VINO FARMS, LLC, a limited
liability company; and DOES 1 through 10,
inclusive,

Defendants.

Case No. STK-CV-UOE-2021-6512

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

Assigned for all purposes to Hon Judge George
J. Abdallah

Action Filed: July 21, 2021

Trial Date: None Set

1 **JOINT STIPULATION OF CLASS AND PAGA ACTION SETTLEMENT**

2 **AND RELEASE**

3 This Joint Stipulation of Class and PAGA Action Settlement and Release (“Agreement” or
4 “Settlement Agreement”) is made and entered into by and between PEDRO IBARRA, (“Plaintiff”
5 or “Class Representative”), as an individual and on behalf of all others similarly situated and as a
6 representative of the State of California, and VINO FARMS, INC. and VINO FARMS, LLC
7 (“Defendants”) (collectively, the “Parties”). In consideration of the promises and mutual covenants
8 and agreements herein contained, the Parties hereby covenant and agree as follows:

9 **RECITALS**

10 1. On July 21, 2021, Plaintiff initiated this putative class action by filing a Complaint
11 in the California Superior Court for the County of Joaquin Case No. STK-CV-UOE-2021-6512 (the
12 “Action”). The action is currently proceeding on Plaintiff’s First Amended Complaint (also referred
13 to herein as the “Operative Complaint”), which asserts following causes of action: (1) failure to pay
14 minimum wages in violation of Labor Code §§ 204, 1194, 1194.2 and 1197; (2) failure to pay
15 overtime compensation in violation of Labor Code §§ 1194 and 1198; (3) failure to provide meal
16 periods in violation of Labor Code §§ 226.7 and 512; (4) failure to authorize and permit rest breaks
17 in violation of Labor Code § 226.7; (5) failure to indemnify necessary business expenses in violation
18 of Labor Code § 2802; (6) failure to timely pay final wages at termination in violation of Labor
19 Code § 201-203; (7) failure to provide accurate itemized wage statements in violation of Labor Code
20 § 226; (8) unfair business practices in violation of California Business and Professions Code §
21 17200, *et seq.*; and (9) a claim for civil penalties under the California Labor Code’s Private Attorneys
22 General Act of 2004 (“PAGA”), Labor Code, § 2698, *et seq.*

23 2. Defendants deny all material allegations set forth in the Operative Complaint and this
24 Action and have asserted numerous affirmative defenses.

25 3. The Parties have investigated the facts and analyzed the relevant legal issues with
26 regard to the claims and defenses in the Action. Plaintiff’s Counsel’s investigation included, *inter*
27 *alia*, the exchange of information pursuant to informal discovery methods, including:
28 comprehensive review of timekeeping and payroll records of a sampling of approximately 20%

1 of the putative class; the number of pay periods and work weeks included in the class; and a review
2 of Defendant's corporate wage and hour policies and practices. Based on Plaintiff's investigation and
3 analysis, Plaintiff believes the Action has merit, while Defendants believe the Action has no merit.

4 4. On July 11, 2022, the Parties participated in mediation before Steven Rottman, Esq.
5 (the "Mediator"), a respected mediator for California wage and hour class actions. The settlement
6 discussions were conducted at arm's-length, and the settlement is the result of an informed and
7 detailed analysis of Defendant's potential liability of total exposure in relation to the costs and risks
8 associated with continued litigation. Based on the documents produced, as well as Plaintiff's
9 Counsel's own independent investigation and evaluation, and the Mediator's efforts, Plaintiff's
10 Counsel believe that the settlement with Defendants for the consideration and on the terms set forth
11 in this Settlement Agreement is fair, reasonable, and adequate, and is in the best interest of the
12 putative Class Members in light of all known facts and circumstances, including the risk of
13 significant delay and uncertainty associated with litigation and various defenses asserted by
14 Defendant.

15 5. In the interest of avoiding further litigation, the Parties agree to fully and finally and
16 forever settle and dispose of all actual or potential claims by the putative Class Members. This
17 Settlement Agreement is made and entered into by and between Plaintiff, individually and on behalf
18 of all others similarly situated and as a representative of the State of California under PAGA, and
19 Defendant, and is subject to the terms and conditions hereof, and to the Court's approval. The Parties
20 expressly acknowledge that this Settlement Agreement is entered into solely for the purpose of
21 compromising significantly disputed claims and that nothing herein is an admission of liability or
22 wrongdoing by Defendant. If for any reason the Settlement Agreement is not approved, it will be of
23 no force or effect, and the Parties shall be returned to their original respective positions.

24 6. The Settlement Class includes all current and former hourly non-exempt persons
25 employed by Defendants, in the State of California between July 21, 2017, through September 9,
26 2022. Defendants represent the number of putative Class Members to be approximately 523, who
27 worked approximately 71,853 workweeks, as of the date such information was provided to Plaintiff's
28 Counsel.

DEFINITIONS

7. The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

8. “Action” means *Pedro Ibarra v. Vino Farms, Inc., et. al.*, filed on July 21, 2021, in Joaquin County Superior Court, Case No. STK-CV-UOE-2021-6512.

9. “Attorneys’ Fees and Costs” means such award of attorneys’ fees as may be approved by the Court for Class Counsel’s litigation and resolution of this Action, and all costs incurred and to be incurred by Class Counsel in the Action, including, but not limited to, costs associated with documenting the Settlement, securing the Court’s approval of the Settlement, administering the Settlement, obtaining entry of a Judgment terminating this Action, and expenses for any experts.

10. “Class Counsel” means Moon & Yang, APC, which will seek to be appointed counsel for the Settlement Class.

11. “Class List” means a complete list of all putative Class Members that Defendants will diligently and in good faith compile from its records and provide to the Settlement Administrator within fourteen (14) calendar days after the Court’s Preliminary Approval of this Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each putative Class Member’s full name; last known address; Social Security Number; and dates of employment. This list be will provided to the Settlement Administrator only, and not to Plaintiff’s counsel.

12. “Class Member(s)” or “Settlement Class” means all current and former hourly non-exempt persons employed by Defendants, in the State of California between July 21, 2017 through September 9, 2022.

13. “Class Period” means the period from July 21, 2017 through September 9, 2022.

14. “Class Representative” means Plaintiff PEDRO IBARRA (“Ibarra”), who will seek to be appointed as the representative for the Settlement Class.

15. “Plaintiff” means PEDRO IBARRA, who may also be referred to herein as the Class Representative.

1 16. “Class Representative Enhancement Payment” means the amount to be paid to
2 Plaintiff in recognition of his effort and work in prosecuting the Action on behalf of the putative
3 Class Members and negotiating the Settlement, at no additional cost to Defendants and subject to
4 Court approval.

5 17. “Defendants” means Vino Farms, Inc. and Vino Farms, LLC.

6 18. “Effective Date” means when all of the following events have occurred: (1) The
7 Stipulation for Settlement has been executed by all Parties, Class Counsel, and Defendant’s Counsel;
8 (2) The Court has given preliminary approval to the Settlement; (3) The Court has held a Final
9 Settlement Approval Hearing and has entered a Final Order and Judgment, approving the Settlement.
10 It is the parties’ intention that the Settlement shall be final for purposes of the Effective date at the time
11 of Final Approval, if no objections to the settlement are filed. Only in the event that written objections
12 are filed prior to the Final Settlement Approval Hearing which are not later withdrawn prior to final
13 approval, the Effective Date shall be later of: (a) the date of final affirmance on an appeal of the
14 Judgment; the expiration of the time for a petition to review the Judgment; and, if review is granted,
15 the date of final affirmance of the Judgment following review; or (b) the date of final dismissal of any
16 appeal from the Judgment or the final dismissal of any proceeding to review the Judgment; or (c) if no
17 appeal is filed, the expiration date for filing any appeal from the Judgment, which is either (i) the date
18 sixty (60) calendar days after the entry of Final Judgment and Order Approving Settlement, if no
19 motions for reconsideration and no appeals or other efforts to obtain review have been filed, or (ii) in
20 the event a motion for reconsideration, an appeal or other effort to obtain review of the Final Judgment
21 and Order Approving Settlement, the date sixty (60) calendar days after such reconsideration, appeal
22 or review has been finally concluded and is no longer subject to review, whether by appeal, petition
23 for rehearing, petition for review or otherwise.

24 19. “Individual PAGA Payment” means each Class Member’s share of 25% of the
25 amount designated for satisfaction of Plaintiff’s and Class Members’ PAGA claims.

26 20. “Individual Settlement Payment” means each Participating Class Member’s share of
27 the Net Settlement Amount, to be distributed to the Participating Class Members.
28

1 7. “Maximum Settlement Amount” means the maximum settlement amount of One
2 Million, Four Hundred Thousand Dollars (\$1,400,000.00) to be paid by Defendants in full
3 satisfaction of all claims arising from the Action, which includes all attorneys’ fees, costs, the
4 Class Representative Enhancement Payment, payments pursuant to PAGA (inclusive of Individual
5 PAGA Payments and LWDA Payments), all Individual Settlement Payments, and claims
6 administration expenses. In no event will Defendants be liable for more than the Maximum
7 Settlement Amount, unless the escalator clause, described in Paragraph 48, is triggered. No portion
8 of the Maximum Settlement Amount shall revert to Defendants. Defendants’ share of any
9 employer payroll taxes to be paid in connection with the settlement (e.g. FICA, FUTA, payroll
10 taxes, and/or any similar tax or charge – collectively “Employer Taxes”) shall be paid in addition
11 to the Maximum Settlement Amount. The Settlement Administrator will then be responsible for
12 making appropriate deductions, reporting obligations, and issuing the individual settlement
13 awards.

14 8. “LWDA Payment” means the amount that the Parties have agreed to pay to the
15 California Labor and Workforce Development Agency (“LWDA”) for resolution of the claims for
16 civil penalties alleged pursuant to PAGA, and which are included in the Released Claims.

17 9. “Net Settlement Amount” means the portion of the Maximum Settlement Amount
18 remaining after deduction of all attorneys’ fees, costs, Class Representative Enhancement Payment,
19 the amount attributable to payments pursuant to PAGA (inclusive of Individual PAGA Payments
20 and LWDA Payments), and claims administration expenses. The Net Settlement Amount will be
21 distributed to Participating Class Members.

22 10. “Notice of Objection” means a Participating Class Member’s valid and timely written
23 objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a)
24 the case name and number; (b) the objector’s full name, signature, address, telephone number and
25 the last four digits of the objector’s Social Security number; (c) a written statement of all grounds
26 for the objection accompanied by any legal support for such objection; (d) copies of any papers,
27 briefs, or other documents upon which the objection is based; and (e) the identity of the objector’s
28 counsel, if the objector is represented by counsel.

11. “Notice Packet” means the Notice of Class Action Settlement and Mailing Envelope.

JOINT STIPULATION OF CLASS AND PAGA ACTION SETTLEMENT AND RELEASE

12. “Parties” means Plaintiff and Defendant, collectively, and “Party” means either Plaintiff or Defendant.

13. “Participating Class Members” means all Class Members who do not submit a Request for Exclusion.

14. “Preliminary Approval” means the Court order granting preliminary approval of the Settlement Agreement.

15. “Qualified Settlement Account” means a qualified settlement fund account established by the Settlement Administrator into which Defendants will make a one-time deposit of One Million, Four Hundred Thousand Dollars (\$1,400,000.00) for payment of all Court-approved and claimed amounts from the Maximum Settlement Amount.

16. “Released Claims” include all claims, debts, liabilities, demands, obligations, damages, and actions or causes of action of any kind, arising under state, federal or local law, whether statutory, common law, or administrative law, at any time during the Class Period, that were or could have been asserted based on the factual allegations in the Operative Complaint or based on any facts discovered in the course of the Action, including (without limitation), claims for failure to failure to pay minimum or overtime wages, failure to provide meal and rest periods or to pay meal and rest period premiums, failure to indemnify necessary business expenses, failure to pay all wages due to discharged or quitting employees, failure to reimburse necessary business expenses, failure to provide accurate itemized wage statements; claims under Labor Code §§ 201 to 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2698 *et seq.*, 2802, and the Wage Orders promulgated thereunder, Business and Professions Code § 17200, *et seq.*, and the federal Fair Labor Standards Act (“FLSA,” 29 U.S.C. § 201 *et seq.*); and claims for injunctive relief, restitution, punitive damages, penalties of any nature (including PAGA civil penalties and statutory penalties), interest, fees, and costs.

17. “Released Claims Period” means the period from July 21, 2017 through September 9, 2022.

18. “Released Parties” means Defendants VINO FARMS, INC. and VINO FARMS, LLC, and their past, present, and future parents, subsidiaries, divisions, affiliates, predecessors,

1 successors, and assigns, and each of their past, present, and future shareholders, owners, officers,
2 directors, employees, agents, trustees, attorneys, representatives, administrators, fiduciaries,
3 beneficiaries, subrogees, executors, partners, privies, and any other individual or entity which could
4 be liable for any of the Released Claims.

5 19. "Request for Exclusion" means a timely letter submitted by a Class Member
6 indicating a request to be excluded from the settlement. The Request for Exclusion must: (a)
7 include the case name and number; (b) contain the full name, address, telephone number, and the
8 last four digits of the Social Security Number of the Class Member requesting exclusion; (c) clearly
9 state that the Class Member does not wish to be included in the settlement; (d) be signed by the
10 Class Member; (e) be returned by fax or mail to the Settlement Administrator at the specified
11 address and/or facsimile number; and (f) be postmarked or faxed on or before the Response
12 Deadline. The date of the fax or postmark on the return mailing envelope will be the exclusive
13 means to determine whether a Request for Exclusion has been timely submitted. A Class Member
14 who does not request exclusion from the settlement will be deemed a Participating Class Member
15 and will be bound by all terms of the settlement, if the settlement is granted final approval by the
16 Court.

17 20. "Response Deadline" means the deadline by which Class Members must postmark to
18 the Settlement Administrator a valid Request for Exclusion or Notice of Objection. The Response
19 Deadline will be forty-five (45) calendar days from the initial mailing of the Notice Packet by the
20 Settlement Administrator, unless the 45th day falls on a Sunday or Federal holiday, in which case
21 the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.
22 Under no circumstances, other than circumstances described in Paragraph 58, will the Settlement
23 Administrator have the authority to extend the deadline for Class Members to submit a Request for
24 Exclusion or Notice of Objection to the Settlement.

25 21. "Settlement Administrator" means ILYM Group, Inc., or any other third-party class
26 action settlement administrator agreed to by the Parties and approved by the Court for purposes of
27 administering this Settlement pursuant to the terms of this Agreement, the Class Notice, the
28 Preliminary Approval Order, and the Judgment, including, without limitation, printing,

1 distributing, and tracking documents for this Settlement, calculating estimated amounts per Class
2 Member, tax reporting, distributing the appropriate settlement amounts, and providing necessary
3 reports and declarations, and other duties and responsibilities set forth herein to process this
4 Settlement, and as requested by the Parties. The Settlement Administrator shall agree to
5 confidentiality terms as may be required by Defendants regarding personnel and payroll data
6 provided to the Settlement Administrator and shall work with Class Counsel and Counsel for
7 Defendants to implement and administer appropriate fraud-prevention policies. The Parties each
8 represent that they do not have any financial interest in the Settlement Administrator or otherwise
9 have a relationship with the Settlement Administrator that could create a conflict of interest.

10 22. "Settlement Administration Costs" means the costs approved by the Court to be paid
11 to the Settlement Administrator for administering this Settlement. The Settlement Administration
12 Costs will be paid from the Maximum Settlement Amount, including, if necessary, any such costs
13 in excess of the amount represented by the Settlement Administrator as being the maximum costs
14 necessary to administer the settlement. The Settlement Administration Costs are currently estimated
15 to be no more than \$20,000.

16 23. "Work Weeks" means the number of weeks worked by Class Members in California
17 during the Class Period, which shall be calculated by the Settlement Administrator based on the
18 start and end dates of each individual's employment during the Class Period as maintained by
19 Defendant. Class Members may dispute the number of Work Weeks they worked during the Class
20 Period by submitting a written Work Weeks dispute to the Settlement Administrator, which should
21 include the Class Member's (a) full name, signature, address, telephone number, and the last four
22 digits of the Class Member's Social Security number; (b) the number of Work Weeks the Class
23 Member contends is correct; and (c) any evidence supporting the Class Member's contention.

24 24. "Work Week Value" means the value of each compensable Work Week, as
25 determined by the formula set forth herein.

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27 ///

1 29. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any application
2 or motion by Class Counsel for Attorneys' Fees up to 33 and 1/3% of the Maximum Settlement
3 Amount, or Four Hundred, Sixty-Six Thousand, Six Hundred and Sixty-Six Dollars and Sixty-Six
4 Cents (\$466,666.66) and reasonable Costs and expenses not to exceed Twenty Thousand Dollars
5 (\$20,000.00), subject to Court approval. The Attorneys' Fees and Costs Award shall represent
6 payment for all claims for Class Counsel's attorneys' fees and costs, past and future, incurred in the
7 Action. The Attorneys' Fees and Costs Award shall be paid from the Maximum Settlement Amount,
8 and Defendants shall not otherwise be required to pay for any portion of Plaintiff's or the Class
9 Members' attorneys' fees, costs, or expenses. The Attorneys' Fees and Costs Award shall be paid to
10 Class Counsel following the Effective Date. Any amounts of attorneys' fees and costs applied for
11 but not awarded by the Court to Class Counsel shall revert back into the Net Settlement Amount. An
12 award by the Court of attorneys' fees or costs that is less than the amounts applied for will not be
13 grounds for Plaintiff or Class Counsel to challenge or withdraw from the Settlement.

14 30. Class Representative Enhancement Payment. In exchange for a general release of all
15 claims, and in recognition of his effort and work in prosecuting the Action on behalf of Class
16 Members and negotiating the Settlement, Defendants agree not to oppose or impede any application
17 or motion by Plaintiff for a Class Representative Enhancement Payment up to Seven Thousand Five
18 Hundred Dollars (\$7,500), subject to Court approval. The Class Representative Enhancement
19 Payment shall be paid from the Maximum Settlement Amount. The Class Representative
20 Enhancement Payment will be in addition to Plaintiff's Individual Settlement Payment as a
21 Participating Class Member paid pursuant to the Settlement.

22 a. **Class Representative's General Release.** Plaintiff and his or her respective
23 former and present spouses, representatives, agents, attorneys, heirs,
24 administrators, successors, and assigns generally, release and discharge
25 Released Parties from all claims, transactions, or occurrences whatsoever,
26 including, but not limited to the Released Claims. ("Plaintiff's Released
27 Claims.") Plaintiff's release does not extend to any claims or actions to
28 enforce this Agreement, or to any claims for vested benefits, unemployment

benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

- b. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of Civil Code § 1542, which reads:

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

- c. The Settlement Administrator will issue an IRS Form 1099 for the Class Representative Enhancement Payment to the Plaintiff, and Plaintiff shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. The Plaintiff agrees to indemnify and hold Defendants harmless from any claim or liability for taxes, penalties, or interest arising as a result of the Class Representative Enhancement Payment. No benefit, including but not limited to 401K benefits, shall increase or accrue as a result of any payment as a result of this Settlement. Any portion of the Class Representative Enhancement Payment applied for but not awarded by the Court to Plaintiff shall be added to the Net Settlement Amount for the benefit of Participating Class Members. An award by the Court of a Class Representative Enhancement Payment that is less than the amount applied

for will not be grounds for Plaintiff or Class Counsel to challenge or
withdraw from the Settlement.

45. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Maximum Settlement Amount, which is currently estimated to be no more than \$20,000. These costs, which will be paid from the Maximum Settlement Amount, will include all costs of administration of the Settlement, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing the Notice Packet, calculating and distributing the Maximum Settlement Amount and Attorneys' Fees and Costs, and providing necessary reports and declarations.

46. PAGA Payments. Subject to Court approval, the Parties agree that the amount of One Hundred Thousand Dollars (\$100,000.00) from the Maximum Settlement Amount will be designated for satisfaction of Plaintiff's and Class Members' PAGA claims. Pursuant to PAGA, 75%, *i.e.*, Seventy-Five Thousand Dollars (\$75,000.00) of this sum will be paid to the LWDA and 25%, *i.e.*, Twenty-Five Thousand Dollars (\$25,000.00), will be distributed to Class Members pursuant to the formula in the "Individual PAGA Payment Calculations" at Paragraph 51. For purposes of this Settlement Agreement only, and not as an admission of liability otherwise, the Parties stipulate that all Class Members are "aggrieved employees" for purposes of distributing the \$25,000.00. Class Members cannot opt out of the release of the PAGA claims and will therefore receive a share of the \$25,000, irrespective of whether they are Participating Class Members.

47. Net Settlement Amount. The Net Settlement Amount will be used to satisfy Individual Settlement Payments to Participating Class Members from the Settlement Class in accordance with the terms of this Agreement.

48. Escalator Clause. If it is later determined that the number of workweeks is more than 10% greater than the 71,853 estimated by Defendants at the time of the Parties' exchange of information for purposes of mediation, then Defendants shall, in their sole discretion, have the option to either: (1) de-escalate the Settlement so that the Class Period ends on the date that the workweek count totals an amount 10% higher than 71,853; or (2) permit the Class Period to be

increased proportionally by the workweeks worked in excess of an amount 10% greater than 71,853, multiplied by the workweek value.

49. Non-reversionary Settlement. No portion of the Maximum Settlement Amount will revert to Defendant.

50. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of Work Weeks a Participating Class Member worked during the Class Period. Specific calculations of Individual Settlement Payments will be made as follows:

a. The Settlement Administrator will calculate the number of Work Weeks worked by each Participating Class Member (“Individual Work Weeks”) during the Class Period, the amount to be paid per Work Week, and the individual settlement awards to eligible Participating Class Members.

b. Defendant’s employee data will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible evidence. All Work Week disputes will be resolved and decided by the Settlement Administrator. If the dispute cannot be settled by the parties and the Administrator, the Court will have the power to render a decision on all Work Week disputes which will be final and non-appealable.

c. The individual settlement awards will be determined by dividing the Net Settlement Amount by the total number of Work Weeks for all Participating Class Members, resulting in the Work Week Value, and then multiplying the Work Week Value by the number of Work Weeks worked by each Participating Class Member.

51. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned based on the number of Pay Periods a Class Member worked during the Class Period. Specific calculations of Individual PAGA Payments will be made as follows:

a. The Settlement Administrator will calculate the number of Pay Periods worked by each Class Member (“Individual Pay Periods”) during the Class Period, the amount to be paid per Pay Period, and the Individual PAGA Payment to each Class Member.

1 b. Defendant's employee data will be presumed to be correct, unless a particular
2 Class Member proves otherwise to the Settlement Administrator by credible evidence. All Pay
3 Period disputes will be resolved and decided by the Settlement Administrator. If the dispute cannot
4 be settled by the parties and the Administrator, the Court will have the power to render a decision
5 on all Pay Period disputes which will be final and non-appealable.

6 c. The Individual PAGA Payments will be determined by dividing \$25,000.00
7 by the total number of Pay Periods for all Class Members, resulting in the "Pay Period Value," and
8 then multiplying the Pay Period Value by the number of Pay Periods worked by each Class Member.

9 52. Settlement Awards Do Not Trigger Additional Benefits. Defendants shall fully
10 discharge its obligations to Plaintiff and the Participating Class Members through the remittance of
11 the Maximum Settlement Amount to the Settlement Administrator, regardless of whether the checks
12 representing individual settlement awards are actually received and/or negotiated by Participating
13 Class Members. Once Defendants have remitted the Maximum Settlement Amount in accordance
14 with this Settlement Agreement, it will be deemed to have satisfied all terms and conditions under
15 this Agreement, shall be entitled to all protections afforded to it under this Settlement Agreement,
16 and shall have no further obligations under the terms of the Agreement, regardless of what occurs
17 with respect to the further administration of the Settlement. It is expressly understood and agreed
18 that the receipt of such individual settlement awards and/or Individual PAGA Payments will not
19 entitle any Participating Class Member to additional compensation or benefits under any company
20 bonus, contest or other compensation or benefit plan or agreement in place during the period covered
21 by the Settlement, nor will it entitle any Participating Class Member to any increased retirement,
22 401K benefits or matching benefits, or deferred compensation benefits. It is the intent of this
23 Settlement that the individual settlement awards and/or Individual PAGA Payments provided for in
24 this Settlement are the sole payments to be made by Defendants to the Participating Class Members,
25 and that the Participating Class Members are not entitled to any new or additional compensation or
26 benefits as a result of having received the individual settlement awards and/or Individual PAGA
27 Payments (notwithstanding any contrary language or
28

1 agreement in any benefit or compensation plan document that might have been in effect during the
2 period covered by this Settlement).

3 53. Settlement Administration Process. The Parties agree to cooperate in the
4 administration of the settlement and to make all reasonable efforts to control and minimize the
5 costs and expenses incurred in administration of the Settlement. Without prejudice to any other
6 remedies, the Settlement Administrator shall hold Defendants harmless from and against all
7 liabilities, claims, causes of action, costs, and expenses (including legal fees and expenses) arising
8 out of any failure to timely or properly compensate Participating Class Members as provided for
9 in this Agreement. No person shall have any claim against any of the Released Parties, Counsel
10 for Defendants, Plaintiff, the Class Members, Class Counsel, or the Settlement Administrator
11 based on mailings, distributions, and payments made in accordance with or pursuant to this
12 Agreement.

13 54. Delivery of the Class List. Within fourteen (14) calendar days of Preliminary
14 Approval, Defendants will provide the Class List to the Settlement Administrator. The information
15 Defendants provides to the Settlement Administrator shall be used solely to administer the terms of
16 the Agreement as described herein, shall remain confidential, and shall not be disclosed to anyone,
17 except pursuant to the express written authorization of Defendants or the individual in question, by
18 order of the Court, or to the extent necessary to fulfill the Settlement Administrator's reporting
19 obligations hereunder.

20 55. Notice by First-Class U.S. Mail. Within fourteen (14) calendar days of receiving the
21 Class List, the Settlement Administrator will perform an NCOA check and shall mail a Notice Packet
22 in Spanish and English to all Class Members via regular First-Class U.S. Mail, using the most
23 current, known mailing addresses identified in the Class List. There will not be a claim process
24 requirement and, as such, Class Members will not receive nor will they be required to submit a claim
25 form to receive their individual settlements.

26 56. Confirmation of Contact Information in the Class List. Prior to mailing, the
27 Settlement Administrator will perform a search based on the National Change of Address
28

1 Database or any other similar services available, such as provided by Experian, for information to
2 update and correct for any known or identifiable address changes.

3 57. Time for Objections. The Class Members will then have forty-five (45) days in which
4 they must postmark and send written notice to the Settlement Administrator of their decision to
5 object in writing to the Settlement.

6 58. Notice Packets. All Class Members will be mailed a Notice Packet in English and
7 Spanish, which shall be translated into Spanish by the Settlement Administrator. Each Notice
8 Packet will provide: (a) information regarding the nature of the Action; (b) a summary of the
9 Settlement's principal terms; (c) the Settlement Class definition; (d) the total number of Work
10 Weeks each respective Class Member worked for Defendants during the Class Period; (e) each
11 Class Member's estimated Individual Settlement Payment and the formula for calculating
12 Individual Settlement Payments; (f) the dates which comprise the Class Period; (g) information
13 regarding disputing Work Weeks, Requests for Exclusion, or Notice of Objections; (h) the deadlines
14 by which the Class Member must fax or postmark dispute of Work Weeks, Requests for Exclusions,
15 or Notice of Objections to the Settlement; (i) the claims to be released, as set forth herein; and (j)
16 the date for the Final Approval Hearing. For every Class Member where the Notice Packet is
17 returned after mailing with a forwarding address, the Settlement Administrator shall re-mail the
18 Notice Packet to the forwarding address. For every Class Members where the Notice Packet is
19 returned after mailing without a forwarding address, the Settlement Administrator shall perform
20 one "skip trace" search in a consumer information database comparable to Accurant in an effort to
21 locate a current address. It shall be presumed that each Class Member whose Notice Packet is not
22 returned to the Settlement Administrator as undeliverable within the 45-day notice period has
23 actually received the Notice Packet. The Response Deadline for any Settlement Class Member who
24 is re-mailed a Notice Packet shall be extended fifteen (15) calendar days from the date of the re-
25 mailing or the original forty-five (45) calendar day deadline, whichever is later. If the Response
26 Deadline for any Class Member is later than the original 45-day notice period, the Settlement
27 Administrator shall include a letter with the Notice Packet advising the Class Member of the
28 adjustment to the Response Deadline.

1 59. Disputed Information on Notice Packets. Class Members will have an opportunity to
2 dispute the information provided in their Notice Packets. To the extent Class Members dispute the
3 number of Work Weeks to which they have been credited or the amount of their Individual
4 Settlement Payment, Class Members may produce evidence to the Settlement Administrator
5 showing that such information is inaccurate. Absent evidence rebutting Defendant's records,
6 Defendant's records will be presumed determinative. However, if a Class Member produces
7 evidence to the contrary, the Parties will evaluate the evidence submitted by the Class Member and
8 the Settlement Administrator will make the final decision as to the number of eligible Work Weeks
9 that should be applied and/or the Individual Settlement Payment to which the Class Member may be
10 entitled. Class Members shall have until the Response Deadline to provide evidence to the Settlement
11 Administrator demonstrating that the number of Work Weeks to which they have been credited is
12 incorrect.

13 60. Settlement Checks. The expiration date on the settlement checks will be one hundred
14 and eighty (180) calendar days from the date the settlement checks are issued. If a Participating Class
15 Member or PAGA Member does not cash his or her check within 180 days, the check will be
16 cancelled. Pursuant to California Code of Civil Procedure Section 384, all funds associated with
17 such cancelled checks will be transmitted to the California State Bar's Justice Gap Fund. The Parties
18 each represent that they do not have any significant affiliation or involvement with the proposed cy
19 *pres* recipient. The Settlement Administrator may, as necessary, undertake amended and/or
20 supplemental tax filings and reporting, required under applicable local, state, and federal tax laws,
21 that are necessitated due to the cancellation of any Individual Settlement Payment checks (including
22 Individual PAGA Payments). To the extent that the Settlement Administrator is able to obtain or
23 receive the return or refund of the amounts that were transmitted to taxing authorities for the
24 employer's and employees' share of taxes, contributions, and/or withholding associated with
25 cancelled Individual Settlement Payments (including Individual PAGA Payments), all such amounts
26 shall also be transmitted to the California State Bar's Justice Gap Fund. Settlement Class Members
27 whose Individual Settlement Payment (including Individual PAGA Payments) checks are cancelled
28 shall, nevertheless, be bound by this Settlement Agreement.

1 61. Request for Exclusion Procedures. Any Class Member wishing to be excluded from
2 the Settlement Agreement must sign and postmark or fax a written Request for Exclusion to the
3 Settlement Administrator within the Response Deadline. The date of fax or the postmark on the
4 return mailing envelope will be the exclusive means to determine whether a Request for Exclusion
5 has been timely submitted. All Requests for Exclusion will be submitted to the Settlement
6 Administrator, who will certify jointly to Class Counsel and Defendant's Counsel the Requests for
7 Exclusion that were timely submitted. Any Class Member who submits a Request for Exclusion is
8 prohibited from making any objection to the Settlement Agreement.

9 62. Settlement Terms Bind All Class Members Who Do Not Request Exclusion. Any
10 Class Member who does not affirmatively Request Exclusion of the Settlement Agreement by
11 submitting a timely and valid Request for Exclusion will be bound by all of its terms, including those
12 pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if it
13 grants final approval to the Settlement. The entry of a final order approving settlement of this Action
14 and Judgment which discharges Defendants and Released Parties from liability for any and all of the
15 Released Claims shall have a *res judicata* effect and bar Plaintiff and Class Members who did not
16 submit a timely and valid Request for Exclusion from bringing any actions or claims asserting the
17 Released Claims.

18 63. Individuals who fall within the definition of the Class may choose to opt-out of the
19 Class under such procedures specified in Paragraph 61 of this Agreement. Any such persons who
20 opt-out of the Class ("Opt-Outs") will not receive an Individual Class Payment. However, Aggrieved
21 Employees may not opt-out of the portion of the Settlement relating to the settlement of claims under
22 PAGA. Even if a Class Member opts-out, they will still receive an Individual PAGA Payment.
23 Aggrieved Employees will be bound by the PAGA portion of the release whether or not they cash
24 this check before it becomes void. Class Members who opt-out will only be bound by the release of
25 the PAGA claims.

26 64. Written Objection Procedures. To object to the Settlement Agreement in writing, a
27 Class Member must postmark a valid Notice of Objection to the Settlement Administrator on or
28 before the Response Deadline. The Notice of Objection must be signed by the Class Member and

1 contain all information required by this Settlement Agreement. The postmark date will be deemed
2 the exclusive means for determining that the Notice of Objection is timely. Absent good cause
3 found by the Court, Class Members who fail to object in writing will be deemed to have waived
4 all written objections to the Settlement, and will be foreclosed from making written objections and
5 seeking any adjudication or review of such written objections, whether by appeal or otherwise, to
6 the Settlement Agreement. Aside from these procedures governing written objections, the Court
7 will otherwise control the acceptance of any objections prior to, or made at the final approval
8 hearing. Moreover, Class Members are not required to make written objections, and can also make
9 any other objections directly to the Court, at the Final Approval Hearing. At no time will any of
10 the Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written
11 objections to the Settlement Agreement or appeal from the Order and Judgment. Class Counsel
12 will not represent any Class Members with respect to any such objections to this Settlement.

13 65. Certification Reports Regarding Individual Settlement Payment Calculations. The
14 Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report which
15 certifies: (a) the number of Participating Class Members from the Settlement Class who have
16 submitted a dispute of Work Weeks; (b) the number of Class Members who have submitted valid
17 Requests for Exclusion or Notice of Objections; and (c) whether any Class Member has submitted a
18 challenge to any information contained in their Notice Packet. Additionally, the Settlement
19 Administrator will provide to counsel for both Parties any updated reports regarding the
20 administration of the Settlement Agreement as needed or requested.

21 66. Payroll Taxes. In accordance with this Settlement, the transfer of the Gross
22 Settlement approved by the Court shall, to the fullest extent possible, resolve, satisfy and completely
23 extinguish all of Defendants' liability with respect to the Settlement Class except that Defendants
24 shall solely be responsible for the employer portion of the payroll taxes. Upon the transfer of funds
25 to the Settlement Administrator, Defendants shall have no further payment or defense obligation
26 whatsoever with respect to any claims covered by this Settlement made or asserted by any person or
27 entity anywhere in the world in connection with the Settlement Class.

1 67. Certification of Completion. Upon completion of administration of the Settlement,
2 the Settlement Administrator will provide a written declaration under oath to certify such completion
3 to the Court and counsel for all Parties. Plaintiff and Class Counsel will file a Satisfaction of
4 Judgment within ten (10) calendar days of the submission of said declaration.

5 68. Treatment of Individual Settlement Payments. All Individual Settlement Payments
6 will be allocated as follows: 33.33% of each Individual Settlement Payment will be allocated as
7 alleged unpaid wages, and 66.67% will be allocated as alleged unpaid interest and penalties. The
8 portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to interest
9 and penalties will be reported on an IRS Form-1099 by the Settlement Administrator. The Individual
10 PAGA Payments will be allocated as 100% alleged penalties.

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

16 70. Tax Liability. Defendants makes no representation as to the tax treatment or legal
17 effect of the payments called for hereunder, and Plaintiff and Participating Class Members are not
18 relying on any statement, representation, or calculation by Defendants or by the Administrator in
19 this regard. Plaintiff and Participating Class Members understand and agree that except for
20 Defendant's payment of the employer's portion of any payroll taxes, they will be solely responsible
21 for the payment of any taxes and penalties assessed on the payments described herein.

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

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

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

20 73. Release of Claims by Class Members. Upon the date upon which Defendants transfer
21 the Maximum Settlement Amount to the Settlement Administrator, Plaintiff and all Class Members
22 who do not Request Exclusion will be deemed to have fully, finally and forever released, settled,
23 compromised, relinquished, and discharged with respect to all of the Released Parties for any and
24 all Released Claims that accrued during the Released Claims Period. The release of Released Claims
25 will have a *res judicata* effect against any Class Members who make a claim against any of the
26 Released Parties for any of the Released claims, file any actions, claims, complaints or proceedings
27 regarding the Released Claims with the California Division of Labor

Standards Enforcement, initiate any other proceedings against any of the Released Parties regarding any of the Released Claims, or seek to participate in any judgment or settlement of claims that are the subject of the Released Claims in any other class, collective, or representative action against any of the Released Parties.

74. Inability to Object / Opt Out of PAGA. The Parties agree that there is no statutory right for any Class Member to object to, opt out of, or otherwise exclude himself or herself from the settlement of the PAGA claims. Accordingly, any timely objection or exclusion from the Settlement submitted by a Class Member shall be construed as relating only to the putative class action claims and shall have no effect whatsoever on the settlement of the PAGA claims.

75. Duties of the Parties Prior to Court Approval. The Parties shall promptly submit this Settlement Agreement to the Court in support of Plaintiff's Motion for Preliminary Approval and determination by the Court as to its fairness, adequacy, and reasonableness. Promptly upon execution of this Settlement Agreement, the Parties shall apply to the Court for the entry of an order:

a. Scheduling a fairness hearing on the question of whether the proposed settlement, including payment of attorneys' fees and costs, and the Class Representative's enhancement payment, should be finally approved as fair, reasonable and adequate as to the members of the Settlement Class;

b. Conditionally certifying the Settlement Class for settlement purposes only;

c. Approving, as to form and content, the proposed Notice of Pendency of Class Action and Proposed Settlement;

d. Approving as to form and content the proposed Notice Packet;

e. Approving the manner and method for Class Members to request exclusion from the Settlement as contained herein and within the Notice of Pendency of Class Action and Proposed Settlement;

f. Directing the mailing of the Notice of Pendency of Class Action and Proposed Settlement and Class Action Settlement, by first class mail to the Class Members; and

1 g. Preliminarily approving the Settlement subject only to the objections of Class
2 Members and final review by the Court.

3 76. Duties of the Parties Following Final Court Approval. Following final approval by
4 the Court of the Settlement provided for in this Settlement Agreement, Class Counsel will submit a
5 proposed final order of approval and judgment:

6 a. Approving the Settlement, adjudging the terms thereof to be fair, reasonable
7 and adequate, and directing consummation of its terms and provisions;

8 b. Approving Class Counsel's application for an award of attorneys' fees and
9 costs;

10 c. Approving the Class Representative Enhancement Payment to the Class
11 Representative;

12 d. Setting a date when the Parties shall report to the court the total amount that
13 was actually paid to the Class Members; and

14 e. Entering judgment in this Action encompassing Defendants and all members
15 of the Settlement Class, with a reservation of continuing jurisdiction by the Court over the Settlement
16 Agreement and its implementation.

17 f. Posting the judgment on the Settlement Administrator's website for at least
18 90 days after entry by the Court.

19 77. Nullification of Settlement Agreement. In the event that the Settlement is barred
20 by operation of law, or invalidated, or ordered not to be carried out by a court of competent
21 jurisdiction, this Settlement Agreement, and any documents generated to bring it into effect, will be
22 null and void. Any order of judgment entered by the Court in furtherance of this Settlement
23 Agreement will likewise be treated as void from the beginning, and all Parties to this Agreement
24 shall stand in the same position, without prejudice, as if the Agreement had been neither entered into
25 nor filed with the Court. Defendants will cease to have any obligation to pay any portion of the
26 Maximum Settlement Amount to the Qualified Settlement Account, or any other party under the
27 terms of this Agreement and all previous disbursements made from Defendants to the
28

1 Qualified Settlement Account will immediately revert back to Defendants. Any Settlement
2 Administration Costs incurred will be split equally between the Parties.

3 78. Rescission of Settlement Agreement (by Defendants). If more than ten percent (10%)
4 of the Class Members opt out of the Settlement, Defendants may, at their election, rescind the
5 Settlement and all actions taken in furtherance of it will thereby be null and void. Defendants must
6 exercise this right of rescission, in writing, to Class Counsel and with a copy to the Settlement
7 Administrator within ten (10) business days after the Settlement Administrator notifies the Parties of
8 a greater than ten percent (10%) opt-out rate. If the option to rescind is exercised, then Defendants
9 shall be solely responsible for all costs of the claims administration accrued to that point, not to exceed
10 the amount approved by the Court in the Preliminary Approval Order. If Defendants exercise this
11 option, the Parties shall return to their respective positions that existed before the execution of this
12 Agreement, and no term of this Agreement or any draft thereof, or the negotiation, documentation, or
13 other part or aspect of the Parties' settlement discussions, shall have any effect or be admissible as
14 evidence for any purpose in the Action, or in any other proceeding.

15 79. Termination of Settlement. Either Party may terminate this Settlement if the Court
16 declines to enter the Preliminary Approval Order, the Final Approval Order or final judgment in
17 substantially the form submitted by the Parties, or the Settlement Agreement as agreed does not
18 become final because of appellate court action. The terminating Party shall give to the other Party
19 (through its counsel) written notice of its decision to terminate no later than ten (10) calendar days
20 after receiving notice that one of the enumerated events has occurred. Termination shall have the
21 following effects:

- 22 a. The Settlement Agreement shall be terminated and shall have no force or
23 effect, and no Party shall be bound by any of its terms;
- 24 b. In the event the Settlement is terminated, Defendants shall have no obligation
25 to make any payments to any party, Class Member or attorney, except that the
26 terminating Party shall pay the Settlement Administrator for services rendered
27 up to the date the Settlement Administrator is notified that the settlement has
28 been terminated;

- 1 c. The Preliminary Approval Order, Final Approval Order and Judgment,
2 including any order of class certification, shall be vacated;
- 3 d. The Settlement Agreement and all negotiations, statements and proceedings
4 relating thereto shall be without prejudice to the rights of any of the Parties,
5 all of whom shall be restored to their respective positions in the Action prior
6 to the settlement;
- 7 e. Neither this Stipulated Settlement, nor any ancillary documents, actions,
8 statements or filings in furtherance of settlement (including all matters
9 associated with the mediation) shall be admissible or offered into evidence in
10 the Action or any other action for any purpose whatsoever.

11 80. Public Statements. Plaintiff and Class Counsel shall not hold any press conferences
12 or issue any press releases with respect to this Settlement at any time. Until the Parties submit a
13 request for preliminary approval from the Court, Plaintiff and Class Counsel will keep the terms of
14 this Agreement confidential. Prior to final approval of this Settlement, Plaintiff and Class Counsel
15 will not discuss this Action or the Settlement or otherwise disclose the terms of this Agreement with
16 third parties other than Class Members and the Settlement Administrator, except (1) as required by
17 the PAGA statute, (2) as necessary to effectuate this Agreement, and (3) to the Parties' tax advisors.
18 After final approval of this Settlement, Plaintiff and his counsel shall not issue any public statements
19 with respect to the Action or Settlement, except as required by law. Plaintiff and his counsel shall
20 not engage in any publicity, including website or social media postings, of any type related to the
21 Action, Settlement, or litigation against Defendants. Notwithstanding the specific limitations to
22 public disclosure identified herein, Class Counsel shall not be precluded from disclosing the Parties
23 to the lawsuit and the fact that the matter settled to a Court or other tribunal. Furthermore, nothing
24 herein limits Plaintiff's or any Class Member's ability to communicate with any government agency
25 or otherwise cooperate in any investigation or proceeding that may be conducted by any government
26 agency.

1 81. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the
2 Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment
3 to the Court for its approval, pursuant to Rule 3.770 of the California Rules of Court. After entry of
4 the Judgment, the Court will have continuing jurisdiction under Code of Civil Procedure § 664.6.

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

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

15 84. Amendment or Modification. This Settlement Agreement may be amended or
16 modified only by a written instrument signed by the named Parties and counsel for all Parties or their
17 successors-in-interest.

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

1 86. Signatories. It is agreed that because the members of the Class are so numerous, it is
2 impossible or impractical to have each member of the Class execute this Settlement Agreement. The
3 Notice of Pendency of Class Action and Proposed Settlement, attached hereto as Exhibit “A,” will
4 advise all Class Members of the binding nature of the release, and the release shall have the same
5 force and effect as if this Settlement Agreement were executed by each member of the Class.

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

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

11 89. Execution and Counterparts. This Settlement Agreement is subject only to the
12 execution of all Parties. However, the Agreement may be executed in one or more counterparts. All
13 executed counterparts and each of them, including facsimile and scanned copies of the signature
14 page, will be deemed to be one and the same instrument provided that counsel for the Parties will
15 exchange among themselves original signed counterparts.

16 90. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe
17 this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have
18 arrived at this Settlement after arm’s-length negotiations and in the context of adversarial litigation,
19 taking into account all relevant factors, present and potential. The Parties further acknowledge that
20 they are each represented by competent counsel and that they have had an opportunity to consult
21 with their counsel regarding the fairness and reasonableness of this Agreement. In addition, the
22 Mediator may execute a declaration supporting the Settlement and the reasonableness of the
23 Settlement and the Court may, in its discretion, contact the Mediator to discuss the Settlement and
24 whether or not the Settlement is objectively fair and reasonable.

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

1 92. Plaintiff's Waiver of Right to Be Excluded and Object. Plaintiff agrees to sign this
2 Settlement Agreement and, by signing this Settlement Agreement, is hereby bound by the terms
3 herein.

4 93. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to
5 class certification for purposes of this Settlement only; and either party may appeal any court order
6 that materially alters the Settlement Agreement's terms.

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

21 95. Captions. The captions and section numbers in this Agreement are inserted for the
22 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
23 provisions of this Agreement.

24 96. Waiver. No waiver of any condition or covenant contained in this Agreement or
25 failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
26 constitute a further waiver by such party of the same or any other condition, covenant, right or
27 remedy.
28

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

6 98. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms
7 and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly
8 against one party than another merely by virtue of the fact that it may have been prepared by counsel
9 for one of the Parties, it being recognized that, because of the arm's-length negotiations between the
10 Parties, all Parties have contributed equally to the preparation of this Agreement.

11 99. Representation By Counsel. The Parties acknowledge that they have been represented
12 by counsel throughout all negotiations that preceded the execution of this Agreement, and that this
13 Agreement has been executed with the consent and advice of counsel, and reviewed in full. Further,
14 Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement
15 Agreement.

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

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

21 102. Integration Clause. This Settlement Agreement contains the entire agreement
22 between the Parties relating to the settlement and transaction contemplated hereby, and all prior or
23 contemporaneous agreements, understandings, representations, and statements, whether oral or
24 written and whether by a party or such party's legal counsel, are merged herein. No rights hereunder
25 may be waived except in writing.

26 103. Binding Agreement. The Parties warrant that they understand and have full authority
27 to enter into this Agreement, and further intend that this Agreement will be fully enforceable and
28 binding on all parties, and agree that it will be admissible and subject to disclosure

1 in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that
2 otherwise might apply under state or federal law.

3
4 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint
5 Stipulation of Class Settlement and Release between Plaintiff and Defendants as of the date(s) set forth
6 below:

7 **SIGNATURES - READ CAREFULLY BEFORE SIGNING**

8
9 **PLAINTIFF PEDRO IBARRA**

10
11 Dated: _____

12 Plaintiff PEDRO IBARRA, in his individual capacity and in a
13 Representative capacity, and on behalf of other members of the general
14 public similarly situated

15
16 **DEFENDANT VINO FARMS, INC.**

17
18 Dated: _____

19
20 **DEFENDANT VINO FARMS, LLC**

21
22 Dated: _____

23
24 **APPROVED AS TO FORM**

25
26 **MOON & YANG, APC**

27
28 Dated: _____

Kane Moon, Esq.
H. Scott Leviant, Esq.
Mariam Ghazaryan, Esq.
Attorneys for Plaintiff
PEDRO IBARRA, in his individual capacity and a Representative
capacity, and on behalf of other members of the general public
similarly situated

LEWIS BRISBOIS BISGAARD & SMITH LLP

Dated: _____

Timothy M. Keegan, Esq.
Attorneys for Defendant,
VINO FARMS, INC. / VINO FARMS, LLC

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& SMITH LLP
ATTORNEYS AT LAW

1 in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that
2 otherwise might apply under state or federal law.

3
4 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint
5 Stipulation of Class Settlement and Release between Plaintiff and Defendants as of the date(s) set forth
6 below:

7 **SIGNATURES - READ CAREFULLY BEFORE SIGNING**

8
9 **PLAINTIFF PEDRO IBARRA**

10
11 Dated: 12/22/2022

DocuSigned by:



12 Plaintiff PEDRO IBARRA, in his individual capacity and in a
13 Representative capacity, and on behalf of other members of the general
14 public similarly situated

15 **DEFENDANT VINO FARMS, INC.**

16 Dated: 12/28/22



17 **DEFENDANT VINO FARMS, LLC**

18 Dated: 12/28/22



20
21 **APPROVED AS TO FORM**

22 **MOON & YANG, APC**

23 Dated: 12/22/2022



24 Kane Mogn, Esq.

25 H. Scott Leviant, Esq.

26 Mariam Ghazaryan, Esq.

27 Attorneys for Plaintiff

28 PEDRO IBARRA, in his individual capacity and a Representative
capacity, and on behalf of other members of the general public
similarly situated

LEWIS BRISBOIS BISGAARD & SMITH LLP

Dated: 1.25.23



Timothy M. Keegan, Esq.
Attorneys for Defendant,
VINO FARMS, INC. / VINO FARMS, LLC

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Exhibit “A”

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Ibarra v. Vino Farms, Inc., et al., San Joaquin County Superior Court Case No. STK-CV-UOE-2021-6512

*The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.*

You may be eligible to receive money from an employee class action lawsuit (“Action”) against defendants VINO FARMS, INC. and VINO FARMS, LLC (“Defendant” or “VINO FARMS”)¹ for alleged wage and hour violations. The Action was filed by a former Defendant employee, Pedro Ibarra (“Plaintiff”), and seeks payment of (1) back wages and other relief for a class of hourly non-exempt employees (“Class Members”) who worked for Defendant during the Class Period (July 21, 2017 through September 9, 2022); and, (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly non-exempt employees who worked for Defendant during the Class Period (July 21, 2017 through September 9, 2022) (the “PAGA Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Settlement Payments, and (2) a PAGA Settlement requiring Defendant to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendant’s records, and the Parties’ current assumptions, your Individual Settlement Payment is estimated to be \$ [REDACTED] (less withholding) and your Individual PAGA Payments is estimated to be \$ [REDACTED]. The actual amount you may receive likely will be different and will depend on a number of factors.

The above estimates are based on Defendant’s records showing that you worked [REDACTED] workweeks during the Class Period. If you believe that you worked more workweeks or pay periods during either of the respective periods, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members to give up their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period, you have two options under the Settlement:

- (1) **Do Nothing.** You don’t have to do anything to participate in the proposed Settlement and be eligible for an Individual Settlement Payment and an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Settlement Period penalty claims against Defendant.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Opt-Out Requestor otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Settlement Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendant, and you will remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

¹ All key terms herein are further defined in the Parties’ JOINT STIPULATION OF CLASS AND PAGA ACTION SETTLEMENT AND RELEASE.

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 a Participating Class Member, eligible for an Individual Settlement Payment and an Individual PAGA Payment. In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Settlement Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Class Members and the Class Members must give up their rights to pursue Released PAGA Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement except with respect to the PAGA Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on . 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. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by	The amount of your Individual Settlement Payment and Individual PAGA Payment depend on how many workweeks you worked at least one day during the Class Period, and how many Pay Periods you worked at least one day during the Class Period, respectively. The number of Class Period Workweeks and number of PAGA Settlement Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by . See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay overtime wages, minimum and straight time wages, wages due upon termination, reimburse business expenses, and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA Claims"). Plaintiff is represented by attorneys in the Action: Moon & Yang, APC ("Class Counsel.")

Defendant denies all liability arising from the Action and is confident it has strong legal and factual defenses to Plaintiff's claims. Defendant contends that, at all relevant times, Defendant properly compensated all employees and fully complied with all applicable laws. Defendant also denies that the Action is appropriate to maintain as a class or representative action.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendant or Plaintiff are correct on the merits. In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator, Steven Rottman, to resolve the Action by negotiating and to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendant will Pay \$1,400,000 as the Maximum Settlement Amount (MSA). Defendant has agreed to deposit the MSA into an account controlled by the Administrator of the Settlement. The Administrator will use the MSA to pay the Individual Settlement Payments, Individual PAGA Payments, Class Representative Enhancement Payment, Class Counsels' attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendant will fund the MSA not more than 5 business days after the Judgment entered by the Court become final. The Judgment will be final when the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from MSA. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the MSA, the amounts of which will be decided by the Court at the Final Approval Hearing:

- A. Up to \$466,666.66 (33 and 1/3% of the MSA) to Class Counsel for attorneys' fees and up to \$20,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- B. Up to \$7,500.00 for the Class Representative Enhancement Payment for filing the Action, working with Class Counsel and representing the Class.
- C. Up to \$20,000.00 to the Administrator for services administering the Settlement.
- D. \$100,000.00 for PAGA Penalties, allocated 75% to the LWDA (\$75,000.00) and 25% in Individual PAGA Payments (\$25,000.00) to Class Members based on their Pay Periods worked during the Class Period.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the MSA (the "Net Settlement") by making Individual Settlement Payments to Participating Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 33.33% of each Individual Settlement Payment to taxable wages ("Wage Portion") and 66.67% to interest and penalties ("Non-Wage Portion."). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report Individual PAGA Payments and the Non-Wage Portions of the Individual Settlement Payments on IRS 1099 Forms.

Although Plaintiff and Defendant have agreed to these allocations, neither side is giving you any advice on whether your payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Settlement Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be paid to the *cy pres* selected by the parties: the California State Bar's Justice Gap Fund.

6. Requests for Exclusion from the Class Settlement (Opt-Out Request). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [REDACTED], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Requests for Exclusion by the [REDACTED] Response Deadline (the postmark will determine timeliness for mailed Requests for Exclusion). The Request for Exclusion should be a signed letter from a Class Member setting forth a Class Member's name, present address, telephone number, last four digits of the Class Member's Social Security Number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Settlement Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA Claims against Defendant based on the alleged PAGA violations in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.

8. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member challenges over Workweeks and/or Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks to administer the Settlement. The Administrator’s contact information is in Section 9 below.

9. Participating Class Members’ Release. Upon the Date of Finality, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of another lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Settlement Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

Upon the date upon which defendants transfer the Maximum Settlement Amount to the Settlement Administrator, Plaintiff and all Class Members who do not Request Exclusion will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged with respect to all of the Released Parties for any and all Released Claims that accrued during the Released Claims Period. The release of Released Claims will have a res judicata effect against any Class Members who make a claim against any of the Released Parties for any of the Released claims, file any actions, claims, complaints or proceedings regarding the Released Claims with the California Division of Labor Standards Enforcement, initiate any other proceedings against any of the Released Parties regarding any of the Released Claims, or seek to participate in any judgment or settlement of claims that are the subject of the Released Claims in any other class, collective, or representative action against any of the Released Parties.

“Released Parties” means defendants VINO FARMS, INC. and VINO FARMS, LLC, and their past, present, and future parents, subsidiaries, divisions, affiliates, predecessors, successors, and assigns, and each of their past, present, and future shareholders, owners, officers, directors, employees, agents, trustees, attorneys, representatives, administrators, fiduciaries, beneficiaries, subrogees, executors, partners, privies, and any other individual or entity which could be liable for any of the Released Claims.

“Released Claims” include all claims, debts, liabilities, demands, obligations, damages, and actions or causes of action of any kind, arising under state, federal or local law, whether statutory, common law, or administrative law, at any time during the Class Period, that were or could have been asserted based on the factual allegations in the Operative Complaint or based on any facts discovered in the course of the Action, including (without limitation), claims for failure to failure to pay minimum or overtime wages, failure to provide meal and rest periods or to pay meal and rest period premiums, failure to indemnify necessary business expenses, failure to pay all wages due to discharged or quitting employees, failure to reimburse necessary business expenses, failure to provide accurate itemized wage statements; claims under Labor Code §§ 201 to 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2698 et seq., 2802, and the Wage Orders promulgated thereunder, Business and Professions Code § 17200, et seq., and the federal Fair Labor Standards Act (“FLSA,” 29 U.S.C. § 201 et seq.); and claims for injunctive relief, restitution, punitive damages, penalties of any nature (including PAGA civil penalties and statutory penalties), interest, fees, and costs.

10. PAGA Release. Upon the Date of Finality, all Class Members will be barred from asserting the PAGA Claims included in the Released Claims against the Released Parties, including Defendant, whether or not they exclude themselves from the Settlement. This means that all Class Members, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the facts alleged in the Action and resolved by this Settlement.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Settlement Payments. The Administrator will calculate Individual Settlement Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

3. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$25,000.00 by the total number of PAGA Pay Periods worked by all Class Members and (b) multiplying the result by the number of Period Pay Periods worked by each individual Class Member.

4. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of Pay Periods you worked during the Class Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until [REDACTED] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Class Members) and Defendant's Counsel.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., Class Members who don't opt-out) and all Class Members who qualify as PAGA Employees, whether they opt out or not. The single check will combine the Individual Settlement Payment and the Individual PAGA Payment.

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single individual share of the PAGA Payment check to every Class Member who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, address, telephone number, last four digits of the Class Member's Social Security Number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request and identify the Action in a way that is clear. You must make the request yourself. If someone else makes the request for you, it will not be valid. The Administrator must be sent your request to be excluded by [REDACTED], or it will be invalid. Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least 16 court days before the [REDACTED] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and a request for awards of fees, litigation expenses and an Enhancement Payment stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Enhancement Payment. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and for awards of fees, litigation expenses and an Enhancement Payment may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. The deadline for sending written objections to the Administrator is [REDACTED]. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action and include your name, address and telephone number, the last four digits of the Class Member's Social Security Number, and sign the objection. Include any papers or other documents upon which the written objection is based. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally hire a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] in Department 10A of the San Joaquin Superior Court, located at 180 E Weber Ave., Stockton, CA 95202. At the Hearing, the judge will decide whether

to grant Final Approval of the Settlement and how much of the MSA will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend).

It's possible the Court will reschedule the Final Approval Hearing. You should contact Class Counsel to verify the date and time of the Final Approval Hearing if you are planning to attend the hearing or have your own lawyer attend.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at [www.settlementadministrator.com](#). You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the San Joaquin Superior Court website.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

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Settlement Administrator:

Name of Company: ILYM Group, Inc.
Email Address:
Mailing Address:
Telephone:
Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or change your mailing address.