

1 **SETTLEMENT AGREEMENT OF CLASS ACTION AND PRIVATE**
2 **ATTORNEYS GENERAL ACT CLAIMS**

3 This Settlement Agreement of individual, class action and Private Attorneys
4 General Act Claims (“Settlement” or “Settlement Agreement”) is made between
5 Plaintiffs Gerardo Negrete, Bennett Ley, Amolak Dhaliwal, Kaitlyn Chapman, Emilia
6 Long, and Ricardo Lupio (collectively, “Plaintiffs”), as individuals and on behalf of
7 all other similarly situated and alleged aggrieved employees, on the one hand, and
8 Defendant Ace Hardware Corporation (“Defendant” or “Ace”) on the other hand
9 (collectively, the “Parties” and individually, a “Party”).

10 **I. DEFINITIONS**

11 A. “Class and PAGA Counsel” means David D. Bibiyan, Esq., and Vedang
12 J. Patel, Esq. of Bibiyan Law Group, P.C., 1460 Westwood Boulevard, Los Angeles,
13 California 90024; Larry W. Lee, Esq. and Max W. Gavron, Esq. of Diversity Law
14 Group, P.C., 515 S. Figueroa Street, Suite 1250, Los Angeles, California 90071;
15 Kelsey A. Webber, Esq. of Webber & Egbert Employment Law, P.C., 1610 R Street,
16 Suite 300, Sacramento, CA 95811, and Hali M. Anderson, Esq. and Alex M. Kuner,
17 Esq. of ARCH Legal, P.C., 3555 Fifth Avenue, Suite 200, San Diego, California
18 92103.

19 B. “Class Members” means all persons who worked for Defendant as non-
20 exempt, hourly paid employees, including any non-exempt drivers in the State of
21 California, at any time from May 20, 2020, through the date of Preliminary Approval
22 or November 28, 2025, whichever is sooner.

23 C. “Class Member Payments” means the amount payable from the Class
24 Payout Fund to each Settlement Class Member, 80% of which shall be allocated to
25 statutory penalties and other non-wage recovery, including interest, and 20% of which
26 shall be allocated to wages. Class Member Payments are separate and distinct from
27 PAGA Payments (defined below) that will be paid to PAGA Aggrieved Employees.
28

1 **D.** “Class Payout Fund” means all funds remaining from the Gross
2 Settlement Amount after deducting the Court-awarded Named Plaintiffs’
3 Enhancement Payments, Fees Award, Costs Award, Settlement Administration Costs,
4 and PAGA Payments.

5 **E.** “Class Period” means the time period from May 20, 2020, through the
6 date of Preliminary Approval or November 28, 2025, whichever is sooner.

7 **F.** “Costs Award” means costs of litigation approved by the Court for Class
8 Counsel’s reasonable costs incurred in investigation, litigation, and resolution of the
9 Lawsuits, and administration of the Settlement, including anticipated costs incurred
10 through Final Approval and disbursement of payments under this Settlement
11 Agreement and obtaining entry of the judgment terminating the Lawsuits.

12 **G.** “Court” means the Superior Court of the State of California, County of
13 Placer, located at 10820 Justice Center Drive, Roseville CA, 95678 (*Negrete* Action,
14 Case No. S-CV-0047322).

15 **H.** “District Court” refers to the United States District Court, Eastern
16 District of California, located at 501 I Street, Sacramento, CA 95814 (*Dhaliwal*
17 Action, Case No. 2:22-cv-00446-DAD-CSK).

18 **I.** “Defendant’s Counsel” means Paul S. Cowie, Esq., Brooke S. Purcell,
19 Esq., and Shayla M. Griffin, Esq. of Sheppard, Mullin, Richter & Hampton LLP, Four
20 Embarcadero Center, 17th Floor, San Francisco, CA 94111.

21 **J.** “Effective Date” means the date by which the judgment becomes final.
22 For purposes of this Settlement Agreement, the final judgment “becomes final” only
23 after the Court grants the motion for final approval of the Settlement and upon the
24 latter of: (i) if no timely objections are filed, or are withdrawn prior to entry of the
25 final judgment, then after the date of entry of the final judgment and the period for
26 filing any appeal, rehearing, writ, or other appellate proceeding challenging or
27 opposing the Settlement has elapsed; (ii) if a Class Member files an objection to the
28 Settlement, the Effective Date shall be the sixty-first (61st) calendar day after the date

1 of entry of the final judgment if the Settlement is approved by the Court, or the thirty-
2 first (31st) calendar day after the date of entry of the final judgment if the Settlement
3 is approved by the District Court, provided no appeal is initiated by an objector; or
4 (iii) if a timely appeal is initiated by an objector, then the Effective Date will be the
5 date of final resolution of that appeal (including any requests for rehearing and/or
6 petitions for certiorari), resulting in final judicial approval of the Settlement. In this
7 regard, it is the intention of the parties that the Settlement shall not become effective,
8 and Defendant will not be obligated to fund this Settlement, until the Court's order
9 approving the Settlement is completely final, and there is no further recourse by an
10 appellant, objector, intervenor, or otherwise by anyone who seeks to contest the
11 Settlement.

12 **K.** "Fees Award" means attorneys' fees approved by the Court for Class
13 Counsel's fees incurred in investigation, litigation, and resolution of the Lawsuits,
14 and administration of the Settlement, including anticipated fees incurred through
15 Final Approval and disbursement of payments under this Settlement Agreement and
16 obtaining entry of the judgment terminating the Lawsuits, and which shall not exceed
17 thirty-five percent (35%) of the Gross Settlement Amount, i.e. up to \$577,500.00.

18 **L.** "Final Approval" means the Court's order granting final approval of the
19 Settlement Agreement.

20 **M.** "Gross Settlement Amount" means a non-reversionary common fund
21 that shall have a total all-in value of \$1,650,000.00 and includes without limitation
22 any and all payments Defendant may be responsible for under the Settlement,
23 including any Fees Award and Costs Award to Class Counsel, Named Plaintiffs'
24 Enhancement Payments, the Class Member Payments, the PAGA Payment (which
25 includes payments to the LWDA), Settlement Administration Costs, and all employee
26 payroll taxes due and owing as a result of the Settlement. As to the portion of Class
27 Member Payments that constitutes wages, any employer taxes, including the
28 employer FICA, FUTA, and SDI contributions, shall be paid separately from, and in

1 addition to, the Gross Settlement Amount. The total amount that Defendant shall pay
2 for any and all purposes under this Settlement Agreement (not including employer
3 portion of payroll taxes, FICA, FUTA and SDI contributions) is the Gross Settlement
4 Amount, which is subject to the Escalator Clause defined below.

5 N. “Lawsuits” mean the actions entitled *Gerardo Negrete v. Ace Hardware*
6 *Corporation*, Placer County Superior Court Case No. S-CV-0047322 (the “Negrete
7 Superior Court Action”), and *Gerardo Negrete v. Ace Hardware Corporation*, JAMS
8 Case No. 5130000381 (the “Negrete Arbitration”) (collectively with the Negrete
9 Superior Court Action, the “Negrete Action”); *Bennett Ley v. Ace Hardware*
10 *Corporation*, Sacramento Case No. 34-2021-00312661 (the “Ley Superior Court
11 Action”), *Bennett Ley v. Ace Hardware Corporation*, JAMS Case No. 5130000537
12 (the “Ley Arbitration”), and *Bennett Ley v. Ace Hardware Corporation*, Sacramento
13 County Superior Court Case No. 24CV009925 (collectively, the “Ley Action”);
14 *Amolak Dhaliwal v. Ace Hardware Corporation and Doug Woodmansee*, Placer
15 County Superior Court Case No. S-CV-0047279, removed to the United States
16 District Court for the Eastern District of California, Case No. 2:22-cv-00446-DAD-
17 CSK (the “Dhaliwal Federal Court Action”), and *Amolak Dhaliwal v. Ace Hardware*
18 *Corporation*, JAMS Case No. 5220006126 (collectively, the “Dhaliwal Action”); and
19 *Jordan Brassart, Kaitlyn Chapman, Emilia Long, and Ricardo Lupio*, Contra Costa
20 County Superior Court Case No. C24-02261 (the “Brassart Superior Court Action),
21 and *Kaitlyn Chapman, Emilia Long, and Ricardo Lupio*, Contra Costa County
22 Superior Court Case No. C25-00472 (collectively, the “Brassart Action”).

23 O. “LWDA” means the California Labor and Workforce Development
24 Agency.

25 P. “Named Plaintiffs” means Plaintiffs Gerardo Negrete, Bennett Ley,
26 Amolak Dhaliwal, Kaitlyn Chapman, Emilia Long, and Ricardo Lupio.

27 Q. “Named Plaintiffs’ Enhancement Payment” means the amount to be paid
28 to each of the Named Plaintiffs for their time and effort spent pursuing the Lawsuits,

1 and not to exceed \$10,000 for each of the Named Plaintiffs. Plaintiff Jordan Brassart
2 will not receive a Named Plaintiffs Enhancement Payment. The Settlement
3 Administrator (and not Defendant) shall issue an IRS Form 1099 to Named Plaintiffs
4 reflecting the Named Plaintiffs' Enhancement Payment.

5 **R.** "PAGA" means the California Private Attorneys General Act, California
6 Labor Code §§ 2699 *et seq.*

7 **S.** "Class and PAGA" refers to Plaintiffs' class and PAGA actions against
8 Ace Hardware.

9 **T.** "PAGA Aggrieved Employees" means all persons who worked for
10 Defendant as non-exempt, hourly paid employees including any non-exempt drivers
11 in the State of California at any time from July 15, 2020, through the date of
12 Preliminary Approval or November 28, 2025, whichever is sooner.

13 **U.** "PAGA Aggrieved Employee List" means the list of all PAGA
14 Aggrieved Employees that Defendant will diligently and in good faith compile from
15 its records to accurately reflect employees' names, last known mailing address, Social
16 Security number, and pay periods worked by the PAGA Aggrieved Employees during
17 the PAGA Period.

18 **V.** "PAGA Payment" means the \$100,000.00 payment to the State of
19 California's LWDA and the PAGA Aggrieved Employees in settlement of all claims
20 for PAGA penalties as defined in this Settlement Agreement.

21 **W.** "PAGA Period" means the time period beginning July 15, 2020, through
22 the date of Preliminary Approval or November 28, 2025, whichever is sooner.

23 **X.** "Qualified Settlement Account" means the account established by the
24 Settlement Administrator pursuant to Internal Revenue Code section 1.468B-1.

25 **Y.** "Released Parties" means Defendant, and each of its past, present and
26 future agents, employees, including, but not limited to, individual defendants Doug
27 Woodmansee and Ryan Cones, servants, owners, officers, directors, partners, trustees,
28 representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity

sponsors, related companies/corporations and/or partnerships (defined as a company/corporation and/or partnership that is, directly or indirectly, under common control with Defendant or any of its parents and/or affiliates), divisions, assigns, predecessors, successors, insurers, consultants, joint ventures, any actual or alleged joint employers, affiliates, and alter-egos, and all of their respective past, present and future employees, directors, officers, agents, owners, attorneys, insurers, stockholders, fiduciaries, parents, subsidiaries, and assigns.

Z. “Settlement Administration Costs” means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, the Settlement Administrator’s responsibilities outlined in this Settlement Agreement.

AA. “Settlement Administrator” means APEX Class Action Administration, whom the Parties mutually agree shall be responsible for the administration of the Settlement, distribution of amounts owed under this Settlement, and matters necessarily related thereto, pursuant to the terms of this Settlement Agreement.

BB. “Settlement Class” means all persons who worked for Defendant as non-exempt, hourly paid employees and/or drivers in the State of California at any time during the Class Period.

CC. “Settlement Class Members” means individuals in the Settlement Class who do not submit a timely and valid request for exclusion from the Settlement Class.

DD. “Settlement Class Member List” means the list of all Settlement Class Members that Defendant will diligently and in good faith compile from its records to accurately reflect employees’ names, last known mailing address, Social Security number, and workweeks worked during the Class Period.

II. RECITALS

A. Background and Procedural History

1. Gerardo Negrete Action

1 a. Plaintiff Gerardo Negrete filed a PAGA representative
2 action on September 17, 2021, in Placer County Superior Court entitled *Gerardo*
3 *Negrete v. Ace Hardware Corporation*, Case No. S-CV-0047322 (“*Negrete Superior*
4 *Court Action*”), seeking civil penalties for the following alleged Labor Code
5 violations: (1) failure to pay minimum, regular, and overtime wages in violation of
6 Labor Code §§ 201-204, 510, 558, 1194, 1197, and 1197.1; (2) failure to provide
7 compliant meal and rest breaks in violation of Labor Code §§ 226.7 and 512; and (3)
8 failure to provide accurate itemized wage statements in violation of Labor Code §
9 226(a). On December 1, 2021, Defendant answered the Complaint. On June 6,
10 2023, the Court granted Defendant’s Motion to Compel Arbitration of Plaintiff’s
11 individual PAGA claims and stayed the remaining representative PAGA claims
12 pending completion of the arbitration.

13 b. Plaintiff Gerardo Negrete filed an arbitration demand on
14 April 5, 2023, with the Judicial Arbitration and Mediation Services (“JAMS”)
15 entitled *Gerardo Negrete v. Ace Hardware Corporation*, JAMS Case No.
16 5130000381 (“*Negrete Arbitration*”), alleging the following causes of action: (1)
17 failure to pay minimum, regular, and overtime wages in violation of Labor Code §§
18 510, 558, 1194, 1197, and 1197.1; (2) failure to provide compliant meal and rest
19 breaks in violation of Labor Code §§ 226.7 and 512; (3) failure to provide accurate
20 itemized wage statements in violation of Labor Code § 226(a); (4) unfair and
21 unlawful business practices under California Business & Professions Code section
22 17200 *et seq.*; and (5) civil penalties pursuant to Labor Code § 2698, *et seq.* On
23 April 19, 2023, Defendant answered the Demand for Arbitration. On May 19, 2023,
24 the parties formally commenced arbitration.

25 c. Plaintiff Gerardo Negrete filed a Class action on August 3,
26 2021, in Placer County Superior Court entitled *Gerardo Negrete v. Ace Hardware*
27 *Corporation*, Case No. (S-CV-0047091) (“*Negrete Class Action*”) alleging
28 violations of (1) Labor Code §§ 510, 558, 1194, 1197, and 1197.1; (2) Labor Code

1 §§ 226.7 and 512; (3) Labor Code §226.7; (4) Violation of Labor Code §226(a); and
2 (5) Violation of Business & Professions Code § 17200, *et seq.* On January 21,
3 2022, the Court dismissed Negrete’s class action in its entirety, without prejudice.

4 2. Bennett Ley Action

5 a. Plaintiff Bennett Ley filed a PAGA representative action
6 on December 15, 2021, in Sacramento County Superior Court entitled *Bennett Ley*
7 *v. Ace Hardware Corporation*, Case No. 34-2021-00312661 (“*Ley* PAGA Action”),
8 seeking civil penalties for the following alleged Labor Code violations: (1) failure to
9 pay all minimum and/or regular wages in violation of Labor Code §§ 204, 210,
10 1194, 1194.2, 1197, 1197.1, 1198, and IWC Wage Order # 2001; (2) failure to
11 timely pay all overtime wages in violation of Labor Code §§ 204, 210, 510, 558,
12 1194, 1198, and IWC Wage Order # 2001; (3) failure to timely pay accurate
13 premium wages for non-compliant meal and rest periods in violation of Labor Code
14 §§ 204, 226.7, 512, 558, 1198, and IWC Wage Order # 2001; (4) failure to timely
15 pay all wages due upon separation in violation of Labor Code §§ 201-203 and 210;
16 (5) failure to furnish accurate itemized wage statements in violation of Labor Code
17 §§ 226, 226.3, and IWC Wage Order # 2001; (6) failure to maintain accurate
18 employment records in violation of Labor Code §§ 226, 1174, 1174.5 and IWC
19 Wage Order # 2001; (7) unlawful deductions from incentive pay in violation of
20 Labor Code §§ 221, 223-224, and 225.5; (8) failure to reimburse for necessary
21 work-related expenses in violation of Labor Code § 2802; and (9) penalties and
22 attorney’s fees pursuant to Labor Code §§ 218.5, 218.6, and 248.5. On March 1,
23 2022, Defendant answered the Complaint. On May 23, 2023, the Court granted
24 Defendant’s Motion to Compel Arbitration of Plaintiff’s individual PAGA claims
25 and stayed the remaining representative PAGA claims pending completion of the
26 arbitration.

27 b. Plaintiff Bennett Ley filed an arbitration demand on
28 August 25, 2023, with JAMS entitled *Bennett Ley v. Ace Hardware Corporation*,

1 JAMS Case No. 5130000537 (“*Ley* Arbitration”), alleging the following causes of
2 action: (1) failure to provide meal periods and/or pay premium wages in lieu thereof
3 in violation of Labor Code §§ 226.7, 512, and 1198; (2) failure to authorize and
4 permit rest periods and/or pay premium wages in lieu thereof in violation of Labor
5 Code §§ 226.7 and 1198; (3) failure to pay minimum and regular wages in violation
6 of Labor Code §§ 1194, 1197, and 1198; (4) failure to pay overtime wages in
7 violation of Labor Code §§ 510, 1194, and 1198; (5) unlawful deductions of wages
8 in violation of Labor Code §§ 221 and 224; (6) failure to furnish accurate itemized
9 wage statements in violation of Labor Code § 226; (7) failure to timely pay wages
10 due during employment in violation of Labor Code §§ 204 and 210; (8) failure to
11 timely pay all wages due and owing upon separation in violation of Labor Code §§
12 201-203; (9) failure to maintain accurate records in violation of Labor Code § 1174;
13 (10) unfair and unlawful business practices under California Business & Professions
14 Code section 17200 *et seq.*; and (11) civil penalties pursuant to Labor Code § 2698,
15 *et seq.* On September 11, 2023, Defendant answered the Demand for Arbitration.
16 On November 6, 2023, the parties formally commenced arbitration. On June 24,
17 2024, Ley voluntarily dismissed causes of actions 1-10 with his individual claim for
18 PAGA as the only remaining action in arbitration.

19 c. Plaintiff Bennett Ley filed a class action on May 20, 2024,
20 in Sacramento County Superior Court entitled *Bennett Ley v. Ace Hardware*
21 *Corporation*, Case No. 24CV009925 (“*Ley* Class Action”), alleging the following
22 causes of action: (1) failure to timely pay minimum, regular, and/or overtime wages
23 in violation of Labor Code §§ 204, 210, 510, 558, 1194, 1194.2, 1197, 1197.1, 1198,
24 and 1199; (2) failure to provide legally compliant meal periods and/or pay timely
25 compensation in lieu thereof in violation of Labor Code §§ 204, 210, 226.7, 512,
26 and 558; (3) failure to provide legally compliant rest periods and/or pay timely
27 compensation in lieu thereof in violation of Labor Code §§ 204, 210, and 226.7; (4)
28 failure to timely pay all wages due and owing upon separation in violation of Labor

1 Code §§ 201-203 and 210; (5) unlawful deduction of wages in violation of Labor
2 Code §§ 221 and 224; (6) failure to furnish accurate itemized wage statements in
3 violation of Labor Code §§ 226 and 226.3; (7) failure to maintain accurate records
4 in violation of Labor Code §§ 226, 1174, and 1174.5; and (8) unfair and unlawful
5 business practices under California Business & Professions Code section 17200 *et*
6 *seq.* On September 6, 2024, Defendant answered the Complaint. On January 31,
7 2025, the Court continued Defendant’s Motion to Compel Arbitration in light of the
8 Parties’ report that they planned to attend mediation.

9 3. Amolak Dhaliwal Action

10 a. Plaintiff Amolak Dhaliwal filed a class action on
11 September 8, 2021, in Sacramento County Superior Court entitled *Amolak Dhaliwal*
12 *v. Ace Hardware Corporation and Doug Woodmansee*, Case No. S-CV-0047279
13 (“*Dhaliwal* Action”), alleging the following causes of action: (1) failure to pay
14 overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal
15 periods; (4) failure to provide rest periods; (5) waiting time penalties; (6) wage
16 statement violations; (7) failure to provide compensation for unused vested paid
17 vacation days in violation of Labor Code § 227.3; and (8) unfair competition. On
18 November 3, 2021, Defendant answered the Complaint. On December 12, 2021,
19 Plaintiff filed a First Amended Complaint in a representative capacity, adding a
20 cause of action for civil penalties under PAGA, Labor Code § 2698, *et seq.* On
21 January 4, 2021, Defendant answered the First Amended Complaint. On March 10,
22 2022, Defendant removed the *Dhaliwal* Action to federal court, and it is now
23 pending in the United States District Court, Eastern District of California, Case No.
24 2:22-cv-00446- DAD-KJN. On March 17, 2023, the Court granted Defendant’s
25 Motion to Compel Arbitration of Plaintiff’s individual PAGA claims and stayed the
26 remaining representative PAGA claims pending completion of the arbitration.

27 b. Plaintiff Amolak Dhaliwal filed an arbitration demand on
28 May 17, 2024, with JAMS entitled *Amolak Dhaliwal v. Ace Hardware Corporation*,

JAMS Case No. 5220006126 (“*Dhaliwal* Arbitration”), alleging the following causes of action: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) waiting time penalties; (6) wage statement violations; (7) failure to provide compensation for unused vested paid vacation days in violation of Labor Code § 227.3; (8) unfair competition; and (9) civil penalties pursuant to Labor Code § 2698, *et seq.* On June 4, 2024, the parties formally commenced arbitration. On June 21, 2024, Defendant answered the Demand for Arbitration.

4. Jordan Brassart Action

a. On August 23, 2024, Plaintiffs Jordan Brassart, Kaitlyn Chapman, and Emilia Long filed a class action Complaint in Contra Costa County Superior, entitled *Jordan Brassart, et al. v. Ace Hardware Corporation*, Case No. C24-02261 (“*Brassart* Class Action”), alleging the following causes of action: (1) failure to pay overtime wages; (2) failure to pay minimum wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) waiting time penalties; (6) wage statement violations; (7) failure to timely pay wages; (8) failure to indemnify; (9) violation of Labor Code § 227.3; and (10) unfair competition. On November 18, 2024, Plaintiffs filed a First Amended Complaint adding Ricardo Lupio as a Plaintiff and asserting a cause of action for violation of quota laws. On February 3, 2025, Defendant answered the First Amended Complaint.

b. On February 17, 2025, Plaintiffs Jordan Brassart, Kaitlyn Chapman, Emilia Long, and Ricardo Lupio filed a PAGA representative action in Contra Costa County Superior, entitled *Jordan Brassart, et al. v. Ace Hardware Corporation*, Case No. C25-00472 (“*Brassart* PAGA Action”), alleging the following causes of action: (1) violation of Labor Code § 210; (2) violation of Labor Code § 226.3; (3) violation of Labor Code § 558; (4) violation of Labor Code § 1174.5; (5) violation of Labor Code § 1197.1; and (6) violation of Labor Code § 2699.

1 c. Defendant and Plaintiffs Gerardo Negrete and Amolak
2 Dhaliwal attended mediation with Deborah Crandall Saxe, Esq. on March 18, 2024,
3 which was unsuccessful.

4 d. Defendant and Plaintiffs Gerardo Negrete, Bennett Ley,
5 Amolak Dhaliwal, Kaitlyn Chapman, Emilia Long, Jordan Brassart, and Ricardo
6 Lupio attended mediation with Tripper Ortman, Esq. on July 1, 2025. The Parties
7 ultimately reached a settlement, the terms of which were memorialized in a binding
8 Memorandum of Agreement (“MOA”) agreed to by the parties on or around August
9 6, 2025, and are now fully memorialized in this Settlement Agreement.

10 5. Investigation of the Lawsuits. The Parties conducted a significant
11 investigation of the facts and law during the prosecution of the Lawsuits. Such
12 investigation has included, *inter alia*, informally exchanging documents and
13 information for settlement purposes, including in connection with mediation. Counsel
14 for the Parties investigated the applicable law as applied to the facts discovered
15 regarding Plaintiffs’ alleged claims and potential defenses thereto, and the damages
16 claimed by Plaintiffs. The Named Plaintiffs allege in the Lawsuits that, *inter alia*,
17 Defendant failed to pay including without limitation, unpaid wages, including failure
18 to pay minimum wages, regular wages, overtime compensation, double-time
19 compensation (including the failure to pay any overtime or double-time compensation
20 at the regular rate of pay), and claims arising from or relating to alleged unlawful
21 deductions from wages; off-the-clock work, including but not limited to pre- and post-
22 shift work, donning and doffing uniforms and/or safety equipment, attending
23 company meetings, and time spent waiting for or undergoing security screenings
24 and/or temperature checks; time spent waiting in long lines for clocking in, and
25 making phone calls or driving off the clock; any alleged rounding, editing, and/or
26 manipulation of time entries; missed, late, short or interrupted meal and/or rest periods
27 or any allegation that meal or rest periods were not provided, including any claim that
28

1 Defendant failed to pay premiums for missed, late, short or interrupted meal or rest
2 periods, or to pay such premiums at the regular rate of compensation, and including
3 but not limited to situations where meal or rest periods were effectively shortened or
4 interrupted by requirements such as walking to or from a break area, waiting to clock
5 in or out, donning or doffing safety gear, undergoing security or bag checks, retrieving
6 or storing personal belongings, being required to carry cellular phones or walkie-
7 talkies, being restricted from leaving the premises, being subject to on-duty or on-call
8 meal or rest periods, or where meal periods were subject to automatic deduction
9 despite work being performed during all or part of the period; any alleged failure to
10 pay premiums for missed, late, short, interrupted, or otherwise noncompliant meal or
11 rest periods, or to pay such premiums at the regular rate of compensation, including
12 but not limited to any failure to pay one additional hour of pay at the employee's
13 regular rate of compensation for each day a compliant meal or rest period was not
14 provided, for applying automatic deductions for breaks not actually taken, or for
15 instances where the employee was required to work during all or part of the meal or
16 rest period; retaliation against employees for asserting wage and hour or protected
17 workplace rights; retaliation against employees for disclosing violations of state or
18 federal law, unsafe workplace conditions, or wage and hour practices, or for otherwise
19 engaging in protected whistleblowing activity or protected political activity; failure
20 to pay or timely pay wages and final compensation upon termination or resignation;
21 unlawful deductions from wages or tips and failure to pay all wages or tips in legal
22 tender and at proper rates; failure to make and keep required records regarding
23 gratuities, or failure to pay gratuities paid via credit card without processing fee
24 deductions and by the next regular payday; unlawful deductions from wages on the
25 account of gratuities; failure to provide all paid vacation and/or PTO compensation at
26 termination; failure to provide sick leave, including any claim for failure to pay sick
27 leave pay at the appropriate rate of pay; failure or refusal to allow or permit, pay out,
28 or refrain from retaliating against use of sick leave; failure to timely pay all earned

1 wages; reimbursement for business expenses or any other claim that Defendant
2 allowed or required employees to bear any of the costs associated with the operation
3 of Defendant's business, including without limitation the use of personal cell phones,
4 expenses related to uniforms and equipment/tools, costs incurred in driving personal
5 vehicles (including mileage and gas), and required out-of-pocket expenditures such
6 as pre-employment medical, physical, or driver's exams as a condition of
7 employment, or for compelling the purchase of company products/services in
8 connection with employment; failure to return uniform or other required deposits with
9 interest; failure to comply with special safety provisions; failure to provide payroll or
10 required public works records to contractors or employees upon request; failure to
11 pay split shift premiums or report time premiums; requiring or allowing employees to
12 report to work but not putting them to work or furnishing less than half their scheduled
13 day's work and failing to pay required reporting time pay; failure to provide suitable
14 seating where the nature of the work reasonably permits and/or permit use of such
15 seating; adoption or enforcement of rules, policies, or agreements that unlawfully
16 restrain trade and/or restrict employee rights; failure to include all forms of
17 remuneration, including without limitation, non-discretionary bonuses, incentive pay,
18 meal allowances, mask allowances, and gift cards; requiring employees to come to
19 work early and/or leave late without being able to clock in for all that time requiring
20 employees to agree, in writing, to terms and conditions known to be prohibited by
21 law, including without limitation, non-compete agreements, terms known to be illegal
22 in purported arbitration agreements, purported confidentiality agreements, purported
23 severance agreements, or purported release agreements; inaccurate or otherwise
24 improper wage statements and/or failure to keep or maintain accurate records; failure
25 to furnish written notice of pay rates and other required information; failure to
26 maintain payroll or employment records as required by law; any claim arising from
27 quotas or any violation of California's Warehouse Quota Law pursuant to Labor Code
28 section 2100-2112; disciplining or taking adverse action against employees for lawful

1 off-duty conduct; restricting or prohibiting employee discussions of wages or working
2 conditions; failure to ensure or provide equal pay for equal work; retaliating against
3 whistleblowers or restricting/suppressing protected political activity; improperly
4 using wage history, requiring unlawful or unconscionable agreements, or conducting
5 illegal background checks; requiring illegal releases related to wage claims; requiring
6 or coercing employees to execute statements or releases related to hours worked or
7 wage claims known by the employer to be false, or as a condition of receiving wages
8 due; failure to lawfully employ minors or limit work hours for minors; failure to
9 provide compliant cool-down periods for heat exposure; any claim for unfair business
10 practices arising out of or related to any or all of the aforementioned claims; any claim
11 for penalties arising out of or related to any or all of the aforementioned claims,
12 including, but not limited to, recordkeeping penalties, wage statement penalties, and
13 waiting time penalties; penalties for failure to pay proper rates or recordkeeping;
14 penalties for failure to timely pay temporary or agency workers; and attorneys' fees
15 and costs; Defendant failed to pay accurate, itemized wage statements or to pay timely
16 wages during employment and upon termination; failed to reimburse for necessary
17 business expenses, including without limitation for expenses related to uniforms, use
18 of personal cell phones, and purchasing equipment necessary to perform work duties;
19 failure to pay at the regular rate of pay when calculating overtime pay, sick leave pay,
20 or meal and rest period premiums; unlawful deduction of wages, based on
21 Defendant's alleged "error system"; failure to provide them and similarly situated
22 employees with compensation for their unused vested paid vacation days; failure to
23 disclose quotas and/or changes to quotas, including without limitation to the number
24 of tasks to be performed or materials that must be produced or handled within a time
25 period, and any adverse employment action that could result from failing to meet
26 quotas; and unfair and unlawful business practices and unfair competition arising out
27 of or related to any or all of the aforementioned claims. For these allegedly improper
28 actions, Named Plaintiffs demand various amounts for wages, penalties, interest,

1 attorneys' fees, and restitution. Named Plaintiffs have fully investigated the factual
2 and legal bases for the causes of action asserted in the Lawsuits. As a result of their
3 investigation, Named Plaintiffs continue to believe that Defendant failed to properly
4 compensate its non-exempt employees in California for all time worked and failed to
5 properly provide meal and rest periods, to reimburse expenses, to pay timely wages
6 during employment and at separation, and to provide accurate itemized wage
7 statements. Defendant has denied and continues to deny all allegations in the
8 Lawsuits. Defendant has repeatedly asserted and continues to assert defenses thereto,
9 and has expressly denied and continues to deny any wrongdoing or legal liability
10 arising out of any of the facts or conduct alleged in the Lawsuits. Defendant contends
11 that it fully and timely paid for all hours worked, including any overtime hours
12 worked. Defendant further contends that it provided all meal and rest periods and/or
13 premium pay in accordance with California law and that it properly reimbursed its
14 employees for all business expenses and provided accurate itemized wage statements,
15 and all final wages upon termination. Given the disagreement between the Parties as
16 to the viability of these claims, the Parties believe the Settlement provided for herein
17 is a fair, adequate, and reasonable settlement.

18 6. Benefits of Settlement to Class Members. Named Plaintiffs
19 recognize the expense and length of continued proceedings necessary to continue the
20 litigation against Defendant through class certification, trial, and through any possible
21 appeals. Named Plaintiffs have also taken into account the uncertainty and risk of the
22 outcome of further litigation, and the difficulties and delays inherent in such litigation.
23 Named Plaintiffs are also aware of the burdens of proof necessary to establish liability
24 for the claims asserted in the Lawsuits, Defendant's defenses thereto, and the
25 difficulties in establishing damages. Named Plaintiffs have also taken into account
26 the extensive investigation and informal discovery undertaken and settlement
27 negotiations conducted, which negotiations resulted in the material settlement terms
28 set forth herein. Based on the foregoing, Named Plaintiffs have determined that the

1 Settlement set forth in this Agreement is a fair, adequate, and reasonable settlement,
2 and is in the best interests of the Settlement Class and the LWDA.

3 7. Defendant's Reasons for Settlement. Defendant has concluded
4 that any further defense of this litigation would be protracted and expensive for all
5 Parties. Defendant has devoted substantial amounts of time, energy, and resources to
6 the defense of the claims asserted by Named Plaintiffs and, unless this Settlement is
7 made, will continue to do so for the foreseeable future. For these reasons, Defendant
8 has agreed to settle the matter upon the terms set forth in this Agreement, to put to
9 rest the claims as set forth in the Lawsuits.

10 8. Defendant's Denials of Wrongdoing. Defendant has denied and
11 continues to deny each of the claims and contentions alleged by Named Plaintiffs in
12 the Lawsuits. Defendant has repeatedly asserted and continues to assert defenses
13 thereto, and has expressly denied and continues to deny any wrongdoing or legal
14 liability arising out of any of the facts or conduct alleged in the Lawsuits. Neither this
15 Settlement Agreement, nor any document referred to or contemplated herein, nor any
16 action taken to carry out this Settlement Agreement, is, may be construed as, or may
17 be used as an admission, concession, or indication by or against Defendant or any of
18 the Released Parties of any fault, wrongdoing or liability whatsoever.

19 9. Named Plaintiffs' Claims. Named Plaintiffs claim and continue
20 to claim that the claims alleged in the Lawsuits have merit and give rise to liability on
21 the part of Defendant. Neither this Agreement nor any documents referred to herein,
22 or any action taken to carry out this Agreement is or may be construed as or may be
23 used as an admission by or against Named Plaintiffs or Class Counsel as to the merits
24 or lack thereof of the claims asserted.

25 10. The Parties stipulate, subject to the approval of the Court that the
26 Lawsuits are being compromised and settled pursuant to the terms and conditions set
27 forth in this Settlement Agreement. Upon Final Approval of the Settlement by the
28 Court at or after the Final Approval hearing, the Parties shall present a Proposed Final

1 Judgment to the Court for its approval, requesting that the Court enter judgment and
2 retain jurisdiction with respect to the interpretation, implementation, and enforcement
3 of the terms of this Settlement Agreement and all orders and judgments entered in
4 connection therewith.

5 **III. SETTLEMENT TERMS**

6 **A. Amendment and Dismissal of Complaints**

7 For the purposes of this Settlement Agreement only, the Parties agree to
8 stipulate to amend the Complaint in the *Negrete* Superior Court Action to include all
9 of the claims made in the *Negrete* Action, *Dhaliwal* Action, *Ley* Class and PAGA
10 Actions, and *Brassart* Class and PAGA Actions including all claims, theories,
11 primary rights alleged in the LWDA letters filed by Plaintiffs (collectively, the
12 “Plaintiffs’ Lawsuits”). At the appropriate time, all of Plaintiffs’ Lawsuits, other
13 than the consolidated/amended *Negrete* Superior Court Action in Placer County,
14 will be dismissed. Dismissals will be filed no later than thirty (30) days after
15 Defendant funds the Gross Settlement Amount, as set forth in this agreement.

16 **B. Stay and Amendment of Complaint**

17 For the purposes of this Settlement Agreement only, the Parties agree to
18 stipulate to stay the *Dhaliwal* Federal Court Action, *Ley* Class and PAGA Actions,
19 and *Brassart* Class and PAGA Actions pending settlement approval. The Parties agree
20 that the claims of each respective Plaintiff will be included in a proposed amended
21 complaint, which will consist of all of the claims made in the *Negrete* Action,
22 *Dhaliwal* Action, *Ley* Class and PAGA Actions, and *Brassart* Class and PAGA
23 Actions including all claims, theories, primary rights alleged in Plaintiffs’ LWDA
24 letters.

25 It is the intention of the Parties that should the Courts deny settlement approval,
26 the Parties and claims and their respective statute of limitations, remain the same as
27 they were prior to this Agreement. Fourteen days following the latest of the following
28 approval of the settlement, the Effective Date, and funding of the Gross Settlement

1 Amount, the Parties agree that Plaintiffs shall seek dismissal of the *Dhaliwal* Federal
2 Court Action, *Ley* Class and PAGA Actions, and *Brassart* Class and PAGA Actions.

3 **C. Conditional Certification**

4 For the purposes of this Settlement Agreement only, the Parties agree to the
5 certification of the Settlement Class. If, for any reason, the Settlement Agreement is
6 not approved, the stipulation to certification will be void. Should the Settlement
7 Agreement not become final, for whatever reason, the fact that the Parties were
8 willing to stipulate to class certification as part of the Settlement shall have no bearing
9 on, and shall not be admissible in connection with, the issue of whether a class should
10 be certified in a non-settlement context in the Lawsuits, and shall have no bearing on,
11 and shall not be admissible in connection with, the issue of whether a class should be
12 certified in any other lawsuit.

13 **D. Funding and Allocation of Settlement**

14 1. Gross Settlement Amount. Provided the Court approves the
15 Settlement and the Effective Date occurs, Defendant will be required to pay the Gross
16 Settlement Amount as described below, which is the maximum monetary amount
17 payable by Defendant to settle the Lawsuits and which shall not exceed the all-
18 inclusive sum of \$1,650,000.00, subject to the Escalator Clause defined below.

19 2. Settlement Accounting. No more than ten (10) calendar days after
20 the date of Final Approval, if the Settlement Accounting date falls on the weekend of
21 a holiday, the operative date will be the next business day for purpose of calendaring,
22 the Settlement Administrator will provide the Parties with an accounting of all
23 anticipated payments from the Qualified Settlement Account, including: (a) Class
24 Member Payments, (b) the PAGA Payments; (c) the Named Plaintiffs' Enhancement
25 Payments; (d) the Fees Award and Costs Award to Class Counsel, (f) employer-side
26 taxes, including employer FICA, FUTA, and SDI contributions, which shall be
27 separate from the Gross Settlement Amount, and (e) Settlement Administration
28 Expenses, all as specified in this Settlement Agreement and as approved by the Court.

1 3. Funding the Settlement. Within thirty (30) calendar days after
2 receipt of the Settlement Accounting from the Settlement Administrator, if the date
3 falls on the weekend of a holiday, the operative date will be the next business day for
4 purpose of calendaring, and solely for purposes of this Settlement, Defendant shall
5 wire the Gross Settlement Amount and any employer-side taxes as calculated by the
6 Settlement Administrator into the Qualified Settlement Account, for distribution in
7 accordance with the terms of this Settlement Agreement (the “Funding”).

8 4. At no time shall Defendant have the obligation to segregate the
9 funds comprising the Gross Settlement Amount from other assets and will retain
10 exclusive authority over, and responsibility for, those funds until the date those
11 amounts are required to be funded pursuant to this Settlement Agreement. Defendant
12 will not be obligated to fund this Settlement, until the Court order approving the
13 Settlement is completely final, and there is no further recourse by an appellant,
14 objector, intervenor, or otherwise by anyone who seeks to contest the Settlement.

15 **E. Payments from the Gross Settlement Amount.**

16 1. Named Plaintiffs’ Enhancement Payments. The Settlement
17 Administrator shall pay any Named Plaintiffs’ Enhancement Payments, within sixty
18 (60) calendar days of the Effective Date by check or wire to accounts or individuals
19 designated by Class Counsel. Named Plaintiffs agree to provide the Settlement
20 Administrator with an executed IRS Form W-9s within five (5) calendar days after
21 the Effective Date and before the Named Plaintiffs’ Enhancement Payments are
22 issued. The Settlement Administrator (and not Defendant) shall issue an IRS Form
23 1099 to Named Plaintiffs for the Named Plaintiffs’ Enhancement Payments. Named
24 Plaintiffs shall be solely and legally responsible for paying any and all applicable
25 taxes on Named Plaintiffs’ Enhancement Payments, and shall hold Released Parties
26 harmless from any claim or liability for taxes, penalties or interest arising as a result
27 of the Named Plaintiffs’ Enhancement Payments. The Named Plaintiffs’
28 Enhancement Payments shall be in addition to any Class Member Payment or PAGA

1 Payment the Named Plaintiffs receive as Settlement Class Members and PAGA
2 Aggrieved Employees. If the Court awards any Named Plaintiffs' Enhancement
3 Payments less than the amounts specified, the unawarded amounts shall remain in the
4 Class Payout Fund and be distributed to Settlement Class Members.

5 2. Class Counsel's Attorneys' Fees and Costs. Class Counsel may
6 collectively request a Fees Award of no more than thirty-five percent (35%) of the
7 Gross Settlement Amount (i.e., a total of \$577,500.00) and will seek a Costs Award
8 for reimbursement of Class Counsel's out-of-pocket costs incurred pursuing the
9 Lawsuits in an amount no greater than \$100,000.00. Class Counsel shall submit a
10 declaration to the Courts, in support of the motion for final approval, detailing the
11 costs incurred and/or expected to be incurred in the Lawsuits to substantiate the Costs
12 Award.

13 a. The Settlement Administrator shall pay the Fees Award and
14 Costs Award within sixty (60) calendar days of the Effective Date either by check or
15 wire to an account designated by Class Counsel. Class Counsel agrees to provide the
16 Settlement Administrator with executed IRS Form W-9s within five (5) calendar days
17 after the Effective Date and before payments for Class Counsel's Fees Award and
18 Costs Award are issued. The Settlement Administrator shall issue an IRS Form 1099
19 to Class Counsel for the payments made pursuant to this section. Class Counsel shall
20 be solely and legally responsible for paying any and all applicable taxes on their Fees
21 Award and Costs Award and shall hold Released Parties harmless from any claim or
22 liability for taxes, penalties or interest arising as a result of any payments received by
23 Class Counsel pursuant to this Settlement. If the Court awards a Fees Award or a
24 Costs Award less than the amount requested by Class Counsel, the unawarded
25 amounts shall remain in the Class Payout Fund and be distributed to Settlement Class
26 Members. This Settlement is not contingent upon the Court awarding Class Counsel
27 any particular amount in Fees Award or Costs Award.

1 b. Neither Class Counsel nor any other current or past counsel
2 for Named Plaintiffs shall be permitted to petition the Courts for, or accept, any
3 additional payments for fees, costs, or interest, and the Fees Award and Costs Award
4 shall be for all claims for attorneys' fees and costs whenever incurred, including past,
5 present and future fees and costs incurred in connection with or arising out of the
6 Lawsuits, this Settlement, and/or any of the Released Claims, to date and through and
7 including the Effective Date, as well as final distribution of all payments under this
8 Settlement Agreement and through and after final judgment. The payment of the Fees
9 Award and Costs Award to Class Counsel as set forth herein shall constitute full
10 satisfaction of the obligation to pay any amounts to any person, attorney or law firm
11 for attorneys' fees, expenses or costs arising out of and/or in connection with the
12 Lawsuits incurred by any attorney on behalf of Named Plaintiffs, any of the Class
13 Settlement Members, and/or PAGA Aggrieved Employees, and shall relieve Class
14 Settlement Members, PAGA Aggrieved Employees, Released Parties, the Settlement
15 Administrator, the Qualified Settlement Account, and Defendant's Counsel of any
16 other claims or liability to any other attorney or law firm for any attorneys' fees,
17 expenses and/or costs to which any of them may claim to be entitled on behalf of
18 Named Plaintiffs, the Class Settlement Members, and/or PAGA Aggrieved
19 Employees in connection with the claims released in this Settlement.

20 3. PAGA Payment. The PAGA Payment amount is one hundred
21 thousand dollars (\$100,000.00) from the Gross Settlement Amount, which the Parties
22 have agreed is to be paid in settlement of all PAGA claims released in this Settlement
23 Agreement, which shall be allocated as follows. Within sixty (60) calendar days of
24 the Effective Date, the Settlement Administrator shall pay from the Qualified
25 Settlement Account:

26 a. \$75,000.00 to the State of California LWDA, representing
27 75% of the \$100,000.00 PAGA Payment.

1 b. The remaining 25% of the PAGA Payment (\$25,000.00)
2 shall be distributed to PAGA Aggrieved Employees, with each receiving a pro rata
3 share based on the number of pay periods worked during the PAGA Period. To
4 establish the pay period value, the Settlement Administrator will first determine the
5 total number of pay periods worked by the PAGA Aggrieved Employees during the
6 PAGA Period. The pay period value will be equal to 25% of the PAGA Payment
7 divided by the total number of pay periods worked by PAGA Aggrieved Employees
8 during the PAGA Period. The pay period value will be rounded to the nearest cent.
9 The amount of the PAGA Payment to be paid to each PAGA Aggrieved Employee
10 will be determined by multiplying the pay periods value by the total number of pay
11 periods each PAGA Aggrieved Employee worked during the PAGA Period. PAGA
12 Aggrieved Employees will receive their PAGA Payment even if they request
13 exclusion from the Settlement Class.

14 c. The portion of the PAGA Payment paid to the PAGA
15 Aggrieved Employees shall be treated entirely as penalties. In the event that the Court
16 awards less than the full amount requested for the PAGA Payment, the un-awarded
17 amount shall remain in the Class Payout Fund and be distributed to Settlement Class
18 Members. If for any reason additional funds are allocated to the PAGA Payment,
19 such monies shall be drawn from the Gross Settlement Amount, which will result in
20 decreasing the Class Payout Fund, but the Gross Settlement Amount will not exceed
21 \$1,650,000.00.

22 4. Settlement Administration Costs. The Settlement Administrator
23 shall pay from the Qualified Settlement Account the Court-approved Settlement
24 Administration Costs, within sixty (60) calendar days of the Effective Date, in an
25 amount not to exceed \$22,390.00.00. In the event that the Courts awards less than
26 the full amount requested for Settlement Administration Costs, the unawarded
27 amounts shall remain in the Class Payout Fund and shall be distributed to Settlement
28 Class Members.

1 5. Calculation of Class Member Payments. All Settlement Class
2 Members will receive a Class Member Payment, paid from the Class Payout Fund
3 without the need to make a claim. The Parties agree that eighty percent (80%) of the
4 Class Member Payments shall be allocated to interest and statutory penalties and
5 twenty percent (20%) of the Class Member Payments shall be allocated to settlement
6 of wage claims.

7 a. After deducting the Named Plaintiffs' Enhancement
8 Payments, the Named Plaintiffs', Attorneys' Fees and Costs, the \$100,000.00 PAGA
9 Payment, and the Settlement Administrator's fees and expenses, the balance of the
10 Gross Settlement Amount will be distributed to the Settlement Class Members on a
11 pro rata basis, based on number of weeks each Settlement Class Member worked
12 during the Class Period. To establish the workweek value, the Settlement
13 Administrator will first determine the total number of workweeks worked by the
14 Settlement Class Members during the Class Period. The workweek value will be
15 equal to the Class Payout Fund divided by the total number of workweeks worked by
16 Settlement Class Members during the Class Period. The workweek value will be
17 rounded to the nearest cent. The Class Member Payment to each Settlement Class
18 Member will be determined by multiplying the workweek value by the total number
19 of workweeks each Settlement Class Member worked during the Class Period. The
20 total of all Class Member Payments to all Settlement Class Members shall equal the
21 Class Payout Fund. Settlement Class Members do not need to submit a claim form in
22 order to be eligible for and to receive a Class Member Payment. Any partial
23 workweek will be rounded up to the nearest workweek. Class Member Payments will
24 be reduced by any required deductions for each Settlement Class Member. If there
25 are valid and timely requests for exclusion, the Settlement Administrator shall
26 proportionally increase the Class Member Payments for each Settlement Class
27 Member according to the number of workweeks worked, so that the amount actually
28 distributed to the Settlement Class Members equals 100% of the Class Payout Fund.

1 b. Settlement Administrator shall pay all employer-side taxes
2 on behalf of Defendant.

3 6. Method and Timing of Payments to Settlement Class Members
4 and PAGA Aggrieved Employees.

5 a. Class Member Payments and the PAGA Aggrieved
6 Employees' portion of the PAGA Payment will be mailed by the Settlement
7 Administrator by First Class U.S. Mail within sixty (60) calendar days following the
8 Effective Date.

9 b. Checks paid to PAGA Aggrieved Employees and
10 Settlement Class Members shall remain valid and negotiable for 180 days from the
11 date of their issuance. After one-hundred eighty (180) calendar days from the date of
12 mailing, the checks shall become null and void, and any monies remaining in the
13 distribution account shall be tendered by the Settlement Administrator to the State
14 Controller's Office, Unclaimed Property Division in the name of each Settlement
15 Class Member and PAGA Aggrieved Employee.

16 7. No Effect on Employee Benefits. No payment from this
17 Settlement, including, without limitation, the Named Plaintiffs' Enhancement
18 Payments, Class Member Payments, and PAGA Payments paid to PAGA Aggrieved
19 Employees shall not have any effect on the eligibility for, or calculation of, any of the
20 employee benefits (e.g., vacations, holiday pay, retirement plans, etc.) of the
21 respective Named Plaintiffs, PAGA Aggrieved Employees, or Settlement Class
22 Members. The Parties agree that the Named Plaintiffs' Enhancement Payments, Class
23 Member Payments, and PAGA Payments paid under the terms of this Settlement
24 Agreement do not represent any modification of Named Plaintiffs', Settlement Class
25 Members', or PAGA Aggrieved Employees' previously credited hours of service or
26 other eligibility criteria under any employee pension benefit plan or employee welfare
27 benefit plan sponsored by Defendant or any of the Released Parties. Further, any
28 Named Plaintiffs' Enhancement Payments, Named Plaintiffs', Class Member

1 Payments, or PAGA Payments shall not be considered “compensation” in any year
2 for purposes of determining eligibility for, or benefit accrual within, an employee
3 pension benefit plan or employee welfare benefit plan sponsored by Defendant or any
4 of the Released Parties.

5 **F. Taxation**

6 1. Tax Treatment of Class Member Payments. Each Class Member
7 Payment shall be allocated between taxable and non-taxable consideration as follows:
8 20% will be allocated to alleged unpaid wages for which an IRS Form W-2 will issue,
9 and 80% will be allocated to alleged penalties, reimbursement of expenses, and
10 interest for which an IRS Form 1099 will issue, if required by law. The Settlement
11 Administrator will be responsible for calculating the employee-side taxes owed on the
12 wage portion of each Class Member Payment and deducting and paying these
13 amounts to the appropriate state and federal agencies, within the timing required by
14 applicable state and federal law. Each Settlement Class Member shall be responsible
15 for ensuring that any employee-side taxes due on his or her settlement are paid.

16 2. Tax Treatment of PAGA Payments. The PAGA Payment
17 distributed to each PAGA Aggrieved Employee will be treated entirely as civil
18 penalties, and will be reported as such to each PAGA Aggrieved Employee on an IRS
19 Form 1099 misc., if required by law.

20 3. Tax Liability. The Parties make no representation as to the tax
21 treatment or legal effect of the payments called for hereunder, and the Parties,
22 Settlement Class Members, and PAGA Aggrieved Employees are not relying on any
23 statement, representation, or calculation by any of the Parties or by the Settlement
24 Administrator in this regard. Named Plaintiffs, Settlement Class Members, and
25 PAGA Aggrieved Employees understand and agree that except for the employer’s
26 portion of any payroll taxes, Named Plaintiffs, Settlement Class Members, and PAGA
27 Aggrieved Employees will be solely responsible for the payment of any taxes and
28 penalties assessed on the payments described herein. Each Party to this Settlement

1 Agreement (for purposes of this section, the “acknowledging party” and each party to
2 this agreement other than the acknowledging party, an “other party”) acknowledges
3 and agrees that (1) no provision of this Settlement Agreement, and no written
4 communication or disclosure between or among the Parties or their attorneys and
5 other advisers, is or was intended to be, nor shall any such communication or
6 disclosure constitute or be construed or be relied upon as, tax advice within the
7 meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as
8 amended); (2) the acknowledging party (a) has relied exclusively upon their own,
9 independent legal and tax counsel for advice (including tax advice) in connection with
10 this Settlement Agreement, (b) has not entered into this Settlement Agreement based
11 upon the recommendation of any other party or any attorney or advisor to any other
12 party, and (c) is not entitled to rely upon any communication or disclosure by any
13 attorney or adviser to any other party to avoid any tax penalty that may be imposed
14 on the acknowledging party; and (3) no attorney or adviser to any other Party has
15 imposed any limitation that protects the confidentiality of any such attorney’s or
16 adviser’s tax strategies (regardless of whether such limitation is legally binding) upon
17 disclosure by the acknowledging party of the tax treatment or tax structure of any
18 transaction, including any transaction contemplated by this Settlement Agreement.

19 **G. Injunctive Relief**

20 As part of this Settlement, Defendant shall not be required to enter into any
21 consent decree, nor shall Defendant be required to agree to any provision for
22 injunctive relief, or to modify or eliminate any of its personnel, compensation, or
23 payroll practices or policies, or adopt any new personnel, compensation, or payroll
24 practices or policies.

25 **H. Release of Claims**

26 1. Named Plaintiffs’ Release. As of the Effective Date and funding
27 of the Gross Settlement Amount, Named Plaintiffs fully and finally release the
28 Released Parties from any and all claims, demands, rights, liabilities, and causes of

1 action of every nature and description, whether known or unknown, suspected or
2 unsuspected, arising out of or relating to any and all facts, transactions, events,
3 policies, occurrences, acts, disclosures, statements, omissions, or failures to act, that
4 were alleged or could have been alleged by reason of, arising out of, or in connection
5 with, any matter or fact set forth or referred to in the operative complaints in the
6 Lawsuits, demand letters, or pre-litigation correspondence in this matter, or involve
7 the same primary right, factual predicate, transactions or occurrences, including,
8 without limitation, claims for unpaid wages, including minimum wages, regular
9 wages, overtime compensation, and double-time compensation; off-the-clock work,
10 including pre- and post-shift work and time spent waiting for or undergoing security
11 screenings/checks; any alleged rounding practices; missed, late, short or interrupted
12 meal and/or rest periods or any allegation that meal or rest periods were not provided,
13 including any claim for any alleged failure to pay premiums for missed, late, short or
14 interrupted meal or rest periods, or to pay such premiums at the regular rate of
15 compensation; failure to timely pay all earned wages; reimbursement for business
16 expenses or any other claim that Defendant allowed or required employees to bear
17 any of the costs associated with the operation of Defendant's business, including
18 without limitation unauthorized deductions, the use of personal cell phones, and
19 expenses related to uniforms, tools and equipment; inaccurate or otherwise improper
20 wage statements and/or failure to keep or maintain accurate records; failure to provide
21 all paid vacation compensation at termination; any claim arising from quotas or any
22 violation of California's Warehouse Quota Law pursuant to Labor Code section 2100-
23 2112; any claim for unfair business practices arising out of or related to any or all of
24 the aforementioned claims; harassment; hostile work environment; discrimination,
25 including but not limited to age and disability discrimination; retaliation; wrongful
26 termination in violation of public policy; alleged violations of the California Fair
27 Employment and Housing Act, California Government Code sections 12900 *et seq.*,
28 including but not limited to sections 12940(a), 12940(h), 12940(j), and 12940(k);

1 alleged violations of public policy; emotional distress; back pay; front pay; lost
2 benefits; punitive damages; attorneys' fees and costs, including those recoverable
3 under Government Code section 12965(b); failure to prevent discrimination,
4 harassment, or retaliation; failure to investigate complaints; failure to take reasonable
5 steps to prevent or remedy violative conduct; failure to provide or furnish
6 employment, personnel, time, or payroll records; failure to preserve or intentional
7 destruction or spoliation of evidence; allegations arising from or relating to the
8 employment relationship or the termination thereof, including discipline, discharge,
9 demotion, or any other adverse employment action; penalties arising out of or related
10 to any or all of the aforementioned claims, including, but not limited to, recordkeeping
11 penalties, and wage statement penalties; and attorneys' fees and costs; and claims
12 alleging a violation of the Wage Orders of the California Industrial Welfare
13 Commission based on the Released Named Plaintiffs' Claims and the Released Class
14 Claims; California Government Code sections 12940(a), (h), (j), (k), (l), and (m)
15 based on the Released Named Plaintiffs' Claims; the California Civil Code sections
16 3294 based on the Released Named Plaintiffs' Claims; California Business and
17 Professions Code section 17200, *et seq.* based on the Released Class Claims; the
18 California Civil Code sections 3287 and 3289 based on the Released Class Claims;
19 California Code of Civil Procedure section 1021.5 and 1032 based on the Released
20 Class Claims; and/or alleging a violation of California Labor Code §§ 200, 201, 201.3,
21 201.5, 201.9, 202, 203, 203(a), 204, 205.5, 210, 218.5, 218.6, 221, 224, 226, 226(a),
22 226(e)(1), 226(g), 226(h), 226.3, 226.7, 245, 432, 510, 512, 558, 558.1, 1174, 1174.5,
23 1194, 1194(a) 1194.2, 1197, 1197.1, 1198, 1198.5 1199, 2100, 2101, 2102, 2103,
24 2104, 2105, 2108, 2802, and the corresponding sections of the California Wage Order,
25 California Code of Regulations, Title 8, section 11040, and claims under California
26 Business and Professions Code section 17200, *et seq.* based on the preceding Labor
27 Code sections ("Released Named Plaintiffs' Claims"). Without limiting the
28 foregoing, and by way of examples only, the Named Plaintiffs' Released Claims also

1 extend to any and all claims for alleged (a) violation of the National Labor Relations
2 Act (NLRA) (to the extent permitted by law), Title VII of the Civil Rights Act (Title
3 VII), the Americans With Disabilities Act of 1990 (ADA), the Age Discrimination in
4 Employment Act (ADEA), the Older Worker Benefit Protection Act (OWBPA), the
5 Employee Retirement Income Security Act (excluding vested benefits) (ERISA); the
6 Rehabilitation Act, the Occupational Safety and Health Act (OSHA) (federal and
7 California), the American Rescue Plan Act (ARPA), the Families First Coronavirus
8 Response Act (FFCRA), the Fair Labor Standards Act (FLSA), the Family and
9 Medical Leave Act (FMLA), the California Family Rights Act (CFRA), the Worker
10 Adjustment and Retraining Notification Act (federal and California), the California
11 Fair Employment and Housing Act (FEHA), the Unfair Business Practices Act/Unfair
12 Competition Law (UCL); the California Labor Code, the California Government
13 Code, the California Civil Code, the applicable California Wage Order(s), and the
14 California Private Attorneys General Act (to the extent permitted by law) (all as
15 amended); (b) discrimination or harassment on the basis of any protected status, such
16 as race, color, ancestry, national origin (including language use restrictions),
17 citizenship, religious creed (including religious dress and grooming practices), sex
18 (which includes pregnancy, childbirth, breastfeeding and medical conditions related
19 to pregnancy, childbirth or breastfeeding), marital status, domestic partnership status,
20 sexual orientation, gender, gender identity or gender expression, veteran status,
21 military status, political affiliation, family care or medical leave status or the denial
22 of family and medical care leave, age, physical or mental disability (including HIV
23 and AIDS), medical condition (including cancer and genetic characteristics), genetic
24 information, or any other basis protected by applicable federal, state or local law, rule,
25 ordinance or regulation; (c) any whistleblower or retaliation claims on the basis of
26 any protected activity or other protected basis; (d) breach of any express or implied
27 promise, contract or agreement (express or implied), or breach of the implied
28 covenant of good faith and fair dealing; (e) any tort or common law claims, including

1 wrongful discharge, intentional or negligent infliction of emotional distress,
2 negligence, fraud, misrepresentation, defamation, interference with prospective
3 economic advantage, or other tort or common law actions; (f) claims for
4 misclassification, wage and hour, or other claims related to hours, conditions, or
5 compensation related to work; (g) any claims for unfair and unlawful business
6 practices and unfair competition arising out of or related to any or all of the
7 aforementioned claims; and (h) any other violation of local, state, or federal law,
8 constitution, statute, regulation, ordinance, order, guidance, resolution, public policy,
9 contract, or tort or common law claim, whether for legal or equitable relief, having
10 any bearing whatsoever on the terms and conditions of employment, or association or
11 working relationship, with any of the Released Parties, including but not limited to
12 any allegations for penalties, interest, costs and fees, including attorneys' fees,
13 incurred in any of these matters, which Named Plaintiffs ever had, now have, or may
14 have as of the date of this release. All such claims, liabilities or causes of action
15 (including, without limitation, claims for related attorneys' fees and costs) are forever
16 barred by this Agreement regardless of the forum in which they may be brought. The
17 Parties intend for this release to be as broad as possible. Even if Named Plaintiffs
18 discover facts in addition to or different from those that Named Plaintiffs now knows
19 or believes to be true with respect to the subject matter of Named Plaintiffs' claims,
20 those claims will remain released and forever barred.

21 2. It is a condition of this Agreement, and it is the Parties' intention
22 by executing this Agreement, that Named Plaintiffs' Released Claims contained in
23 this Agreement shall be effective as a bar to each and every claim, whether now
24 known or unknown. As such, Named Plaintiffs expressly, knowingly and voluntarily
25 waive any and all rights and benefits conferred by section 1542 of the California Civil
26 Code and do so understanding and acknowledging the significance and consequence
27 of such specific waiver of section 1542, which provides:
28

1 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS**
2 **THAT THE CREDITOR OR RELEASING PARTY DOES NOT**
3 **KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT**
4 **THE TIME OF EXECUTING THE RELEASE AND THAT, IF**
5 **KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY**
6 **AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR**
7 **OR RELEASED PARTY.**

8 3. Notwithstanding the foregoing, Named Plaintiffs do not waive or
9 release any claim which cannot be waived or released by private agreement. Further,
10 nothing in this Settlement shall prevent Named Plaintiffs from filing a charge or
11 complaint with, or from participating in, an investigation or proceeding conducted by
12 the SEC, OSHA, EEOC, DFEH, NLRB or any other federal, state or local agency
13 charged with the enforcement of any employment or other applicable laws. Named
14 Plaintiffs, however, understand that by signing this Settlement, Named Plaintiffs
15 waive the right to recover any damages or to receive other relief in any claim or suit
16 brought by or through the EEOC, the DFEH or any other state or local deferral agency
17 on their behalf to the fullest extent permitted by law, but expressly excluding any
18 monetary award or other relief available from the SEC/OSHA, including an
19 SEC/OSHA whistleblower award, or other awards or relief that may not lawfully be
20 waived.

21 4. Class Member Release. As of the Effective Date and funding of
22 the Gross Settlement Amount, all Settlement Class Members fully and finally release
23 the Released Parties from any and all claims alleged in the LWDA Notices or
24 Complaints in the Lawsuits, or which could have been alleged by reason of, arising
25 out of, or in connection with, any matter or fact set forth or referred to in the operative
26 complaints in the Lawsuits, or involve the same primary right, factual predicate,
27 transactions or occurrences, including, without limitation, claims for unpaid wages,
28 including minimum wages, regular wages, overtime compensation, and double-time
 compensation; off-the-clock work, including pre- and post-shift work and time spent
 waiting for or undergoing security screenings/checks; any alleged rounding practices;

1 missed, late, short or interrupted meal and/or rest periods or any allegation that meal
2 or rest periods were not provided, including any claim for any alleged failure to pay
3 premiums for missed, late, short or interrupted meal or rest periods, or to pay such
4 premiums at the regular rate of compensation; failure to timely pay all earned wages;
5 reimbursement for business expenses or any other claim that Defendant allowed or
6 required employees to bear any of the costs associated with the operation of
7 Defendant's business, including without limitation unauthorized deductions, the use
8 of personal cell phones, and expenses related to uniforms, tools and equipment;
9 inaccurate or otherwise improper wage statements and/or failure to keep or maintain
10 accurate records; failure to provide all paid vacation compensation at termination; any
11 claim arising from quotas or any violation of California's Warehouse Quota Law
12 pursuant to Labor Code section 2100-2112; any claim for unfair business practices
13 arising out of or related to any or all of the aforementioned claims; any claim for
14 penalties arising out of or related to any or all of the aforementioned claims, including,
15 but not limited to, recordkeeping penalties, wage statement penalties, and waiting
16 time penalties; and attorneys' fees and costs; and claims alleging a violation of the
17 Wage Orders of the California Industrial Welfare Commission; California Business
18 and Professions Code section 17200, *et seq.* based on the practices alleged in the
19 Lawsuits and/or any of the PAGA letters Named Plaintiffs submitted to the LWDA
20 in advance of the Lawsuits; the California Civil Code sections 3287 and 3289 based
21 on the; California Code of Civil Procedure section 1021.5 and 1032 based on the;
22 and/or alleging a violation of California Labor Code §§ 200, 201, 201.3, 201.5, 201.9,
23 202, 203, 203(a), 204, 205.5, 210, 218.5, 218.6, 221, 224, 226, 226(a), 226(e)(1),
24 226(g), 226(h), 226.3, 226.7, 227.3, 245 *et seq.*, 510, 512, 558, 558.1, 1174, 1174.5,
25 1194, 1194(a), 1194.2, 1197, 1197.1, 1198, 1199, 2100 *et seq.*, 2101, 2102, 2103,
26 2104, 2105, 2108, 2802, and the corresponding sections of the California Wage Order,
27 California Code of Regulations, Title 8, section 11040, and claims under California
28

1 Business and Professions Code section 17200, *et seq.* based on the preceding Labor
2 Code sections (“Released Class Claims”).

3 5. Release of PAGA Claims. As of the date of the Effective Date
4 and funding of the Gross Settlement Amount, PAGA Aggrieved Employees and the
5 LWDA fully and finally release the Released Parties from any and all claims for
6 PAGA civil penalties arising out of or in connection with the facts, factual predicate,
7 theories, transactions or occurrences, and primary rights alleged, that reasonably
8 could have been alleged, or based on any matter or fact set forth or referred to in the
9 LWDA Notices or Complaints in the Lawsuits, including without limitation, for
10 unpaid wages, including failure to pay minimum wages, regular wages, overtime
11 compensation, double-time compensation, and any claims arising from or relating to
12 alleged unlawful deductions from wages; off-the-clock work, including pre- and post-
13 shift work, donning and doffing uniforms and/or safety equipment, attending
14 company meetings, and time spent waiting for or undergoing security screenings
15 and/or temperature checks; time spent waiting in long lines for clocking in, and
16 making phone calls or driving off the clock; any alleged rounding, editing, and/or
17 manipulation of time entries; missed, late, short or interrupted meal and/or rest periods
18 or any allegation that meal or rest periods were not provided, including any claim for
19 any alleged failure to pay premiums for missed, late, short or interrupted meal or rest
20 periods, or to pay such premiums at the regular rate of compensation, and including
21 but not limited to situations where meal or rest periods were effectively shortened or
22 interrupted by requirements such as walking to or from a break area, waiting to clock
23 in or out, donning or doffing safety gear, undergoing security or bag checks, retrieving
24 or storing personal belongings, being required to carry cellular phones or walkie-
25 talkies, being restricted from leaving the premises, being subject to on-duty or on-call
26 meal or rest periods, or where meal periods were subject to automatic deduction
27 despite work being performed during all or part of the period; any alleged failure to
28 pay premiums for missed, late, short, interrupted, or otherwise noncompliant meal or

1 rest periods, or to pay such premiums at the regular rate of compensation, including
2 but not limited to any failure to pay one additional hour of pay at the employee's
3 regular rate of compensation for each day a compliant meal or rest period was not
4 provided, for applying automatic deductions for breaks not actually taken, or for
5 instances where the employee was required to work during all or part of the meal or
6 rest period; retaliation against employees for asserting wage and hour or protected
7 workplace rights; retaliation against employees for disclosing violations of state or
8 federal law, unsafe workplace conditions, or wage and hour practices, or for otherwise
9 engaging in protected whistleblowing activity or protected political activity; failure
10 to pay or timely pay wages and final compensation upon termination or resignation;
11 unlawful deductions from wages or tips and failure to pay all wages or tips in legal
12 tender and at proper rates; failure to make and keep required records regarding
13 gratuities, or failure to pay gratuities paid via credit card without processing fee
14 deductions and by the next regular payday; unlawful deductions from wages on the
15 account of gratuities; failure to provide all paid vacation and/or PTO compensation at
16 termination; failure to provide sick leave, including any claim for failure to pay sick
17 leave pay at the appropriate rate of pay; failure or refusal to allow or permit, pay out,
18 or refrain from retaliating against use of sick leave; failure to timely pay all earned
19 wages; reimbursement for business expenses or any other claim that Defendant
20 allowed or required employees to bear any of the costs associated with the operation
21 of Defendant's business, including without limitation the use of personal cell phones,
22 expenses related to uniforms and equipment/tools, costs incurred in driving personal
23 vehicles (including mileage and gas), and required out-of-pocket expenditures such
24 as pre-employment medical, physical, or driver's exams as a condition of
25 employment, or for compelling the purchase of company products/services in
26 connection with employment; failure to return uniform or other required deposits with
27 interest; failure to comply with special safety provisions; failure to provide payroll or
28 required public works records to contractors or employees upon request; failure to

1 pay split shift premiums or report time premiums; requiring or allowing employees to
2 report to work but not putting them to work or furnishing less than half their scheduled
3 day's work and failing to pay required reporting time pay; failure to provide suitable
4 seating where the nature of the work reasonably permits and/or permit use of such
5 seating; adoption or enforcement of rules, policies, or agreements that unlawfully
6 restrain trade and/or restrict employee rights; failure to include all forms of
7 remuneration, including without limitation, non-discretionary bonuses, incentive pay,
8 meal allowances, mask allowances, and gift cards; requiring employees to come to
9 work early and/or leave late without being able to clock in for all that time requiring
10 employees to agree, in writing, to terms and conditions known to be prohibited by
11 law, including without limitation, non-compete agreements, terms known to be illegal
12 in purported arbitration agreements, purported confidentiality agreements, purported
13 severance agreements, or purported release agreements; inaccurate or otherwise
14 improper wage statements and/or failure to keep or maintain accurate records; failure
15 to furnish written notice of pay rates and other required information; failure to
16 maintain payroll or employment records as required by law; any claim arising from
17 quotas or any violation of California's Warehouse Quota Law pursuant to Labor Code
18 section 2100-2112; disciplining or taking adverse action against employees for lawful
19 off-duty conduct; restricting or prohibiting employee discussions of wages or working
20 conditions; failure to ensure or provide equal pay for equal work; retaliating against
21 whistleblowers or restricting/suppressing protected political activity; improperly
22 using wage history, requiring unlawful or unconscionable agreements, or conducting
23 illegal background checks; requiring illegal releases related to wage claims; requiring
24 or coercing employees to execute statements or releases related to hours worked or
25 wage claims known by the employer to be false, or as a condition of receiving wages
26 due; failure to lawfully employ minors or limit work hours for minors; failure to
27 provide compliant cool-down periods for heat exposure; any claim for unfair business
28 practices arising out of or related to any or all of the aforementioned claims; any claim

1 for penalties arising out of or related to any or all of the aforementioned claims,
2 including, but not limited to, recordkeeping penalties, wage statement penalties, and
3 waiting time penalties; penalties for failure to pay proper rates or recordkeeping;
4 penalties for failure to timely pay temporary or agency workers; and attorneys' fees
5 and costs related to the aforementioned claims. The claims released by the Settlement
6 Agreement also include any and all claims that are based on, or arise out of, the claims
7 and facts alleged in the Lawsuits, and any claims which could have been asserted in
8 the Lawsuits arising from the alleged facts, theories, and/or primary rights alleged to
9 have been invaded to the fullest extent permitted by law. This release includes claims
10 alleging a violation of Wage Orders of the California Industrial Welfare Commission
11 and/or alleging a violation of California Labor Code §§ 96, 96(k), 98.6, 200, 201,
12 201.3, 201.5, 201.7, 202, 203, 203.5, 204, 204a, 204b, 204.1, 204.2, 205, 205.5, 206.5,
13 210, 212, 213, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225.5, 226, 226(a), 226.2,
14 226.3, 226.7, 227.3, 231, 232, 232.5, 233, 234, 245 *et seq.*, 246 *et seq.*, 247, 247.5,
15 248.5, 249, 256, 266.3, 351, 353, 404, 432, 432.3, 432.5, 432.7, 432.8, 450, 510, 511,
16 512, 516, 551, 552, 558, 558.1, 1101, 1102, 1102.5, 1174, 1174.1, 1174.5, 1175,
17 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.5, 1197.5(k), 1198, 1198.5, 1290, 1292,
18 1293, 1293.1, 1294.1, 1301, 1391, 1527, 1695.55, 1696.5, 1700.31, 1771, 1774, 1775,
19 1776, 1811, 1815, 2100-2112, 2673, 2698 *et seq.*, 2699 *et seq.*, 2699.3, 2800, 2802,
20 2810.5, 3366, 3395 (8 CCR), 3457, and 8397.4 ("Released PAGA Claims").

21 **I. Settlement Administrator Responsibilities**

22 1. The Settlement Administrator shall be responsible for preparing,
23 printing and mailing to the Settlement Class and the PAGA Aggrieved Employees the
24 Notice of Proposed Settlement of Class Action attached as Exhibit 1 hereto (the "Class
25 Notice") as directed by the Courts; calculating Class Member Payments and PAGA
26 Payments; calculating and withholding all required state and federal taxes owed by
27 the Settlement Class Members, PAGA Aggrieved Employees, and Defendant as
28 described above; keeping track of opt-outs and objections; printing and mailing

1 checks to Settlement Class Members and PAGA Aggrieved Employees; distributing
2 Named Plaintiffs' Enhancement Payments(if any remain unpaid), the Fees Award, the
3 Costs Award, 75% of the PAGA Payment to the LWDA, and Settlement
4 Administration Costs; providing weekly status reports to counsel for the Parties;
5 providing a due diligence declaration for submission to the Courts prior to the Final
6 Approval hearing and as otherwise required by the Courts; and for such other tasks as
7 the Parties mutually agree or the Courts order the Settlement Administrator to
8 perform. The Parties each represent they do not have any financial interest in the
9 Settlement Administrator or otherwise have a relationship with the Settlement
10 Administrator that could create a conflict of interest.

11 2. The Settlement Administrator's determination of eligibility for,
12 and the amounts of, any Class Member Payment and share of the PAGA Payment
13 shall be conclusive, final, and binding on all Parties, including all Settlement Class
14 Members and PAGA Aggrieved Employees. The Settlement Administrator has no
15 power or ability to increase the amount of the Gross Settlement Amount or to make
16 any determinations that would result an increase in the Gross Settlement Amount.

17 3. To the extent any tax returns must be filed for the Gross Settlement
18 Amount pursuant to this Settlement Agreement, the Settlement Administrator shall
19 cause to be timely and properly filed all informational and other tax returns, if any,
20 necessary with respect to the Gross Settlement Amount. Such returns shall be
21 consistent with this paragraph. Any expenses and/or costs incurred in connection with
22 the operation and implementation of this paragraph (including, without limitation,
23 reasonable expenses of tax attorneys, accountants or other designees retained by the
24 Settlement Administrator as required for the preparation and filing of tax returns
25 described in this paragraph) shall be treated as, and considered to be, a cost of
26 administration of the Settlement and shall be paid from the Settlement Administration
27 Costs.

1 4. No person shall have any claim against Defendant, the Released
2 Parties, Defendant's Counsel, Named Plaintiffs, Class Counsel, or the Settlement
3 Administrator based on distributions and payments made in accordance with this
4 Settlement Agreement.

5 **J. Notice/Approval of Settlement and Settlement Implementation.** As
6 part of this Settlement, the Parties agree to the following procedures for obtaining
7 preliminary approval of the Settlement, notifying the Settlement Class and PAGA
8 Aggrieved Employees, obtaining final Court approval of the Settlement, and
9 processing the settlement payments:

10 1. Preliminary Approval of Settlement

11 a. The Parties shall schedule a hearing within one hundred
12 fifty (150) calendar days from the date the Parties executed the MOA or by
13 November 28, 2025, at which to seek the entry of a Preliminary Approval Order for:
14 (a) conditional certification of the Settlement Class for settlement purposes only, (b)
15 Preliminary Approval of the proposed Settlement Agreement, (c) approval of the
16 Class Notice; and (d) setting a date for a Final Approval hearing. If it is not possible
17 to schedule a hearing on preliminary approval of the Settlement within one hundred
18 fifty (150) calendar days from the date the Parties executed the MOA due to the
19 Court's calendar, the Parties agree to schedule that hearing at the first available date
20 thereafter that works for all Parties' calendars.

21 b. In conjunction with the Preliminary Approval Hearing,
22 Named Plaintiffs will submit this Settlement Agreement, which sets forth the terms
23 of this Settlement, and will include proposed forms of all notices and other documents
24 as attached hereto necessary to implement the Settlement. Simultaneous with the
25 filing of the Settlement Agreement and solely for purposes of this Settlement, Named
26 Plaintiffs will request the Court to enter the Preliminary Approval Order
27 ("Preliminary Approval Order" or "Order"), preliminarily approving the proposed
28 Settlement, and setting a hearing date to determine final approval of the Settlement.

1 The Order shall provide for notice of the Settlement and related matters to be sent to
2 Settlement Class as specified herein. Class Counsel will be responsible for drafting
3 all documents necessary to obtain Preliminary Approval, subject to review and
4 comment by Defendant's counsel who shall be provided a reasonable period for
5 review and comment prior to filing.

6 2. LWDA Notice. Pursuant to the PAGA, concurrently with the
7 filing of the motion for Preliminary Approval, Named Plaintiffs will, pursuant to
8 California Labor Code § 2699(I), provide notice of the proposed Settlement to the
9 LWDA. The Parties intend and believe that the notice pursuant to the procedures
10 described in this section complies with the requirements of the PAGA.

11 3. Notice to Settlement Class.

12 a. Delivery of the Settlement Class Member and PAGA
13 Aggrieved Employee List. Within fourteen (14) calendar days of entry of the
14 Preliminary Approval Order of this Settlement, Defendant will provide the Settlement
15 Class Member List and PAGA Aggrieved Employee List (the "Employee Lists") to
16 the Settlement Administrator, which shall be used solely for the administration of this
17 Settlement and for no other purpose, and shall not be shared with any persons or entity
18 not employed by the Settlement Administrator and working on the administration of
19 this Settlement. Because sensitive personal information is included in the Employee
20 Lists, the Settlement Administrator shall maintain the Employee Lists securely and in
21 confidence. Access to such Employee Lists shall be limited to employees of the
22 Settlement Administrator with a need to use the Employee Lists for administration of
23 the Settlement. The Employee Lists shall not be disclosed to Class Counsel, the
24 Named Plaintiffs, or any other members of the Settlement Class without the written
25 consent of Defendant. Notwithstanding the foregoing, for the limited purpose of
26 resolving individual specific disputes, the Settlement Administrator may provide
27 Class Counsel with a Class Member's contact information, and workweek and pay
28 period information. Such disclosure shall be strictly limited to what is necessary for

1 the resolution of the specific dispute and shall be handled in accordance with
2 applicable privacy laws and regulations, and will be to the extent reasonably necessary
3 to fulfill Class Counsel's fiduciary obligations to Class Members. In the event that
4 the Settlement Agreement is not finally approved by the Courts, or if it is in any way
5 altered or disapproved on appeal, the Settlement Administrator shall not thereafter use
6 the Employee Lists, and shall destroy any and all copies or versions of the Employee
7 Lists (including any in electronic form).

8 b. Notice By First-Class Mail. Within twenty-one (21)
9 calendar days after receipt of the Settlement Class Member List, the Settlement
10 Administrator shall mail a class notice to Settlement Class via first-class regular U.S.
11 mail ("Class Notice"). Settlement Class Members will have thirty (30) calendar days
12 from the mailing of the Class Notice to opt-out or submit written objections to the
13 Class Settlement ("Objection/Exclusion Deadline Date"). Prior to mailing, the
14 Settlement Administrator will perform a search based on the National Change of
15 Address Database information to update and correct for any known or identifiable
16 address changes and, if necessary, perform reasonable skip-tracing efforts to locate
17 employees. If a new address is obtained by way of a returned Class Notice, the
18 Settlement Administrator shall promptly forward the original Class Notice to the
19 updated address via first-class regular U.S. mail indicating on the original Class
20 Notice the date of such re-mailing.

21 c. Notice Satisfies Due Process. Compliance with the notice
22 procedures specified in this Settlement Agreement shall constitute due and sufficient
23 notice to the Settlement Class of this Settlement and shall satisfy the requirements of
24 due process. Nothing else shall be required of, or done by, the Parties, Class Counsel
25 or Defendant's Counsel to provide notice of the proposed Settlement. In the event
26 that the procedures in this Settlement Agreement are followed and the intended
27 recipient of a Class Notice still does not receive the notice of settlement, the intended
28 recipient shall be a Settlement Class Member and will be bound by all the terms of

1 the Settlement and the Final Approval entered by the Court if the Settlement becomes
2 effective.

3 4. Objections or Exclusions.

4 a. Procedure for Objecting. The Class Notice shall provide
5 that individuals in the Settlement Class who wish to object to the Settlement must
6 submit a written statement to the Settlement Administrator objecting to the Settlement
7 no later than the Objection/Exclusion Deadline Date. A written objection must
8 contain a statement in substance explaining that the Settlement Class individual
9 objects to the Settlement Agreement and the reasons for objecting; contain the full
10 name, address, telephone number, and last four digits of the Social Security number
11 of the objecting Settlement Class individual; be signed by the Settlement Class
12 individual; and, be postmarked on or before the Objection/Exclusion Deadline Date.
13 No PAGA Aggrieved Employee may opt out or otherwise be excluded from the
14 PAGA Payment, as no such right exists under the law. Alternatively, Class Members
15 may appear at the Final Approval Hearing to object to the Settlement. The Parties
16 will be permitted to respond in writing to written objections at least seven (7) days
17 prior to the Final Approval hearing.

18 b. Procedure for Requesting Exclusion. The Class Notice
19 shall provide that individuals in the Settlement Class who wish to exclude themselves
20 from the Settlement Class must submit to the Settlement Administrator a personally
21 signed, written statement requesting exclusion from the Settlement Class on or before
22 the Objection/Exclusion Deadline Date. The opt-out request must state in substance,
23 words to the effect:

24 “I have read the Class Notice and I wish to opt out of the
25 Settlement Class in *Gerardo Negrete, et al. v. Ace*
26 *Hardware Corporation*. I understand that by requesting to
27 be excluded from the Settlement Class, I will not receive a
28 Class Member Payment. ”

1 (1) Such written request for exclusion must contain the name,
2 address, telephone number and last four digits of the Social Security number of the
3 person requesting exclusion, must be returned by mail to the Settlement Administrator
4 at the specified address, must be signed by the person requesting exclusion personally,
5 and must be postmarked on or before the Objection/Exclusion Deadline Date. The
6 date of the postmark on the return mailing envelope shall be the exclusive means used
7 to determine whether a request for exclusion has been timely submitted. If the
8 postmark is illegible then the request for exclusion must arrive within three (3)
9 calendar days after the Objection/Exclusion Deadline Date to be considered timely.

10 (2) Any individual in the Settlement Class who opts out of the
11 Settlement Class will not be entitled to any recovery under the Class Settlement
12 (which refers to claims encompassed by the Class Payout Fund and excludes the
13 PAGA claims) and will not be bound by the Settlement as it relates to the Class
14 Settlement or have any right to object, appeal or comment in court on the Class
15 Settlement. Any and all individuals in the Settlement Class who fail to submit a valid
16 and timely request for exclusion on or before the Objection/Exclusion Deadline Date
17 shall be Settlement Class Members and shall be bound by all terms of the Settlement
18 and any final judgment entered in the Lawsuits if the Settlement is approved by the
19 Court.

20 c. No Solicitation of Settlement Objections or Exclusions.
21 The Parties agree to use their best efforts to carry out the terms of this Settlement. At
22 no time shall any of the Parties, or their counsel, seek to directly or indirectly solicit
23 or otherwise encourage the Settlement Class to submit written objections to the
24 Settlement or requests for exclusion from the Class Settlement, or appeal from the
25 Court's final judgment.

26 5. Certification Reports by the Settlement Administrator.

27 a. The Settlement Administrator will, on a weekly basis
28 during and for a reasonable period following distribution of the Class Notice, provide

1 updates to Class Counsel and Defendant's Counsel as to the number of individuals in
2 the Settlement Class who submitted (i) valid opt-out requests for exclusion; and (ii)
3 written objections. All written objections shall be provided to the Parties' counsel
4 within five (5) calendar days of receipt by the Settlement Administrator. The
5 Settlement Administrator shall also provide the names of any opt-outs to Defendant's
6 counsel within five (5) calendar days of receipt. To the extent practicable, the weekly
7 updates shall also provide updated data on the number of Class Notices that are
8 returned undeliverable and any re-mailing efforts.

9 b. Within ten (10) calendar days after the Objection/Exclusion
10 Deadline Date, the Settlement Administrator will prepare a declaration to be provided
11 to Class Counsel and Defendant's Counsel for filing in support of Named Plaintiffs'
12 motion for final approval attesting to the following: (i) its mailing efforts regarding
13 the Class Notice; (ii) its receipt of any valid and timely requests for exclusion, and its
14 inability to deliver the Class Notice to the Settlement Class, if any; (iii) the number
15 of Settlement Class Members; (iv) the highest estimated Class Member Payment,
16 along with the estimated average Class Member Payment. The Settlement
17 Administrator will also prepare and submit to Class Counsel and Defendant's Counsel
18 for filing in support of the motion any supplemental declaration as may be needed.

19 6. Right of Defendant to Reject Settlement.

20 a. Option to Void Settlement. If, after the
21 Objection/Exclusion Deadline Date, the number of employees in the Settlement Class
22 who have timely submitted requests for exclusion total in number more than three
23 percent (3%) of the Settlement Class, Defendant shall have, in its sole discretion, the
24 option to void this Settlement. In order to exercise this option, Defendant must notify
25 Class Counsel in writing within fifteen (15) calendar days after the later of the
26 Objection/Exclusion Deadline Date, or of learning in writing from the Settlement
27 Administrator that the number of individuals in the Settlement Class who have timely
28 submitted requests for exclusion total in number more than three percent (3%) of the

1 Settlement Class. If Defendant voids the Settlement, then it will be responsible for
2 all settlement administration costs incurred up to the date of avoidance.

3 b. Escalator Clause. Defendant estimates that there are
4 approximately 150,000 workweeks worked by the Settlement Class from May 20,
5 2020, through July 1, 2025 (the “Estimated Workweeks”). If the number of work
6 weeks actually worked by the Settlement Class during the same period of time from
7 May 20, 2020, through November 28, 2025 (the “Actual Workweeks”) is greater than
8 10% of the Estimated Workweeks, then the Gross Settlement Amount will be
9 increased by the same percentage above 10%, such that the Gross Settlement Amount
10 shall be increased by one (1) percent for every one percent increase in workweeks
11 over the ten 10% threshold. There shall be no increase in the Gross Settlement
12 Amount if the total number of Actual Workweeks is 165,000 (10% above 150,000),
13 or less.

14 c. Nullification of Settlement Agreement. In the event: (i)
15 neither the Courts nor the District Court enters the Order specified herein; (ii) neither
16 the Courts nor the District Court finally approves the Settlement as provided herein;
17 (iii) neither the Courts nor the District Court enters a final judgment as provided
18 herein which becomes final as a result of the occurrence of the Effective Date; or (iv)
19 the Settlement does not become final for any other reason after the Parties have sought
20 approval from the Courts and/or, if applicable, the District Court, this Settlement
21 Agreement shall be null and void and any order or judgment entered by the Courts in
22 furtherance of this Settlement shall be treated as void *ab initio*. In such a case, the
23 Parties and any funds to be awarded under this Settlement shall be returned to their
24 respective statuses as of the date and time immediately prior to the execution of this
25 Agreement, and the Parties shall proceed in all respects as if this Settlement
26 Agreement had not been executed, except that any costs already incurred by the
27 Settlement Administrator shall be borne equally by the Parties. In the event an appeal
28 is filed from the Court’s final judgment, or any other appellate review is sought prior

1 to the Effective Date, administration of the Settlement shall be stayed pending final
2 resolution of the appeal or other appellate review, pending the Effective Date.

3 7. Final Approval Hearing and Entry of Final Judgment.

4 a. Upon expiration of the Objection/Exclusion Deadline Date,
5 with the Courts' permission, a Final Approval hearing shall be conducted to determine
6 final approval of the Settlement along with the amount properly payable for (i) the
7 Fees Award and Costs Award, (ii) Named Plaintiffs' Enhancement Payments, (iii)
8 Settlement Administration Costs, (iv) Class Member Payments; and (v) the PAGA
9 Payments. Upon final approval of the Settlement by the Court at or after the Final
10 Approval hearing, the Parties shall present a Proposed Final Judgment to the Court
11 for its approval. Class Counsel will be responsible for drafting all documents
12 necessary to obtain Final Approval, including a proposed order and judgment, all of
13 which shall be provided to Defendant's counsel a reasonable period prior to filing for
14 review.

15 b. The Settlement Administrator shall keep counsel for the
16 Parties apprised of all distributions from the Qualified Settlement Account and upon
17 completion of administration of all distributions related to the Settlement, the
18 Settlement Administrator shall provide written certification, under penalty of perjury,
19 of such completion to the Court and counsel for all Parties.

20 c. Upon completion of administration of the Settlement,
21 Named Plaintiffs and Class Counsel shall provide written certification, under penalty
22 of perjury, of such completion to the Court and Defendant's Counsel.

23 8. Administration Costs. All of Defendant's own legal fees, costs
24 and expenses incurred in the Lawsuits shall be borne by Defendant. As set forth
25 above, the Settlement Administration Costs will be paid from the Gross Settlement
26 Amount. The Parties agree to cooperate in the Settlement administration process and
27 to make all reasonable efforts to control and minimize the costs and expenses incurred
28 in administration of the Settlement.

1 **IV. Other Provisions**

2 **Publicity.** The Parties and their counsel agree that they will not issue
3 any press releases or announcements of any kind related to the Settlement. The Parties
4 and their counsel agree they will not initiate any contact with the press, respond to
5 any press inquiry or have any communications with the press about the facts, amount,
6 or terms of the Settlement. Named Plaintiffs and Class Counsel agree that, prior to
7 preliminary approval of the Settlement, they will keep the terms of the Settlement
8 confidential except for purposes of communicating with Named Plaintiffs and the
9 Settlement Administrator only. Named Plaintiffs and members of the Settlement
10 Class who reach out to Named Plaintiffs or Class Counsel shall be informed that the
11 Settlement is confidential and shall be advised to keep the Settlement confidential.
12 After preliminary approval of the Settlement, Named Plaintiffs and Class Counsel
13 may comment regarding the specific terms of the Settlement (1) as required by law;
14 (2) as required under the terms of the Settlement; (3) as required under Class
15 Counsel's duties and responsibilities as Class Counsel. In all other cases, Named
16 Plaintiffs and Class Counsel agree to limit their statements regarding the terms of the
17 Settlement, whether oral, written, or electronic (including the world wide web), to say
18 the Lawsuits have been resolved and that Named Plaintiffs and Class Counsel are
19 satisfied with the terms of the Settlement. Class Counsel shall not, at any time,
20 advertise or mention the terms of the Settlement on personal or firm website(s); shall
21 not discuss the terms of the Settlement with media, general public, or issue press
22 releases; and shall limit any statements regarding the terms of the Settlement to that
23 information that is publicly available. Nothing in this paragraph is intended to
24 interfere with Class Counsel's duties and obligations to faithfully discharge their
25 duties as Class Counsel.

26 **A. Privacy of Documents and Information.** Named Plaintiffs and Class
27 Counsel agree that none of the documents and information provided to them by
28

1 Defendant or as part of this Settlement shall be used for any purpose other than
2 settlement of the Lawsuits.

3 **B. No Admission By the Released Parties.**

4 1. The Released Parties, including Defendant, deny any and all
5 claims alleged in the Lawsuits and deny any and all wrongdoing whatsoever. This
6 Settlement Agreement is not a concession or admission, and shall not be used against
7 Defendant or any of the Released Parties as an admission or indication with respect
8 to any claim of any fault, concession or omission by Defendant or any of the Released
9 Parties. Whether or not the Settlement is finally approved, neither the Settlement, nor
10 any document, statement, proceeding or conduct related to this Settlement
11 Agreement, nor any reports or accounts thereof, shall in any event be: (1) construed
12 as, offered or admitted in evidence as, received as, or deemed to be evidence for any
13 purpose adverse to the Released Parties, including, but not limited to, evidence of a
14 presumption, concession, indication or admission by any of the Released Parties of
15 any liability, fault, wrongdoing, omission, concession or damage; or (2) disclosed,
16 referred to or offered or received in evidence against any of the Released Parties, in
17 any further proceeding in the Lawsuits, or any other civil, criminal or administrative
18 action or proceeding, except for purposes of settling the Lawsuits pursuant to this
19 Settlement Agreement.

20 2. The Released Parties, including Defendant, shall have the right to
21 use this Settlement, including the Released Class Claims and Released PAGA Claims
22 set forth above, to defend against any claims asserted by or on behalf of Settlement
23 Class Members, PAGA Aggrieved Employees, Named Plaintiffs, or the LWDA, that
24 are encompassed within the Releases, whether such claims are asserted in the
25 Lawsuits or any other lawsuit.

26 **C. Exhibits and Headings.** The terms of this Settlement Agreement
27 include the terms set forth in any attached Exhibit, which is incorporated by this
28 reference as though fully set forth herein. The Exhibit to this Settlement Agreement

1 is an integral part of the Settlement. The descriptive headings of any paragraphs or
2 sections of this Settlement Agreement are inserted for convenience of reference only
3 and do not constitute a part of this Settlement Agreement.

4 **D. Interim Stay of Proceedings.** The Parties agree to hold all proceedings
5 in the Lawsuits, except such proceedings necessary to implement and complete the
6 Settlement, in abeyance pending the Final Approval hearing to be conducted by the
7 Court. The Parties agree that the time within which to bring this action to trial under
8 California Code of Civil Procedure Section 583.310 shall be stayed from July 22, 2025, until
9 the entry of the final approval order and judgment or if not entered the date this Agreement
10 shall no longer be of any force or effect.

11 **E. Amendment or Modification.** This Settlement Agreement may be
12 amended or modified only by a written instrument signed by all Parties, their counsel,
13 or their successors-in-interest.

14 **F. Entire Agreement.** This Settlement Agreement and any attached
15 Exhibits constitute the entire agreement among these Parties with respect to resolution
16 of the Lawsuits. To the extent there are any other oral or written agreements relating
17 to the subject matter of this Settlement Agreement, this Settlement Agreement
18 controls and supersedes all such agreements. No oral or written representations,
19 warranties or inducements have been made to any Party concerning this Settlement
20 Agreement or its Exhibit other than the representations, warranties and covenants
21 contained and memorialized in this Settlement Agreement and attached Exhibit.

22 **G. Authorization to Enter Into Settlement Agreement.** Counsel for all
23 Parties warrant and represent they are expressly authorized by the Parties whom they
24 represent and who are signing this Settlement Agreement, to negotiate this Settlement
25 Agreement and to take all appropriate action required or permitted to be taken by such
26 Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute
27 any other documents required to effectuate the terms of this Settlement Agreement
28 and by signing below the Parties are granting their respective attorneys such

1 authorization. The Parties and their counsel will cooperate with each other and use
2 their best efforts to effect the implementation of the Settlement.

3 **H. Binding on Successors and Assigns.** This Settlement Agreement shall
4 be binding upon, and inure to the benefit of, the successors or assigns of the Parties
5 hereto, as previously defined. It shall be admissible and subject to disclosure in any
6 proceeding to enforce its terms, notwithstanding the mediation confidentiality
7 provisions that otherwise might apply under federal or state law.

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

11 **J. Counterparts.** This Settlement Agreement may be executed in one or
12 more counterparts. All executed counterparts and each of them shall be deemed to be
13 one and the same instrument.

14 **K. This Settlement is Fair, Adequate and Reasonable.** The Parties
15 believe this Settlement is a fair, adequate, and reasonable settlement of the Lawsuits
16 and have arrived at this Settlement in arms-length negotiations, taking into account
17 all relevant factors, present and potential. This Settlement was reached after extensive
18 negotiations.

19 **L. Jurisdiction.** The Courts shall retain jurisdiction with respect to the
20 interpretation, implementation, and enforcement of the terms of this Settlement
21 Agreement and all orders and judgments entered in connection therewith, and the
22 Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of
23 interpreting, implementing, and enforcing the settlement embodied in this Settlement
24 Agreement and all orders and judgments entered in connection therewith. The Parties
25 intend this to be enforceable pursuant to the terms of California Code of Civil
26 Procedure § 664.6. Should any Party be required to enforce the terms of this
27 Agreement, the prevailing Parties shall be entitled to reasonable attorneys' fees and
28 costs.

1 **M. Cooperation and Drafting.** Each of the Parties has cooperated in the
2 drafting and preparation of this Settlement Agreement. Hence, in any construction
3 made to this Settlement Agreement, the same shall not be construed against any of
4 the Parties.

5 **N. Invalidity of Any Provision.** Before declaring any provision of this
6 Settlement Agreement invalid, the Courts (or District Court) shall first attempt to
7 construe the provisions valid to the fullest extent possible consistent with applicable
8 precedents so as to define all provisions of this Settlement Agreement valid and
9 enforceable.

10 **O. Severability.** Should any clause or provision of this Settlement
11 Agreement be declared illegal or unenforceable, it shall be modified or reformed as
12 minimally necessary to be enforceable. If the provision cannot be modified or
13 reformed to be enforceable, such provision shall be severed and deemed null and void,
14 leaving the remainder of this Settlement Agreement in full force and effect.

15 **P. Named Plaintiffs' General Release.** With the exception of claims that
16 cannot be released as a matter of law, Named Plaintiffs agree to sign this Settlement
17 Agreement, and by signing this Settlement Agreement they are bound by the terms
18 herein stated, including without limitation the agreement to execute a Named
19 Plaintiffs' general release agreement in consideration for the Named Plaintiffs'
20 Enhancement Payments. Named Plaintiffs agree that they may not opt out of the
21 Settlement Class.

22 **Q. No Liens or Encumbrances**

23 Named Plaintiffs and Class Counsel represent and warrant that there are no
24 liens or encumbrances on any amounts payable under this Settlement Agreement,
25 including on the Gross Settlement Amount and any of its components, including the
26 amounts allocated for Fees Award and Costs Award to Class Counsel, Named
27 Plaintiffs' Enhancement Payments, the Class Member Payments, the PAGA
28

1 Payments (which includes payments to the LWDA), and Settlement Administration
2 Costs.

3
4 **PLAINTIFF**

5
6 *Gerardo Negrete*

ID jb6GV91qWbW1e8wQhbCFQySF

7 Date: 2/4/2026

Gerardo Negrete

8 **PLAINTIFF**

9
10 Date: _____

Bennett Ley

12 **PLAINTIFF**

13
14 Date: 02/09/2026

Amolak Dhaliwal

Amolak Dhaliwal

16 **PLAINTIFF**

17
18 Date: 02/05/2026

Kaitlyn Chapman

Kaitlyn Chapman

20 **PLAINTIFF**

21
22 Date: 02/05/2026

Emilia Long

Emilia Long

24
25
26 Date: _____

27 **PLAINTIFF**

Ricardo Lupio

Date: 03/13/2026

Ricardo Lupio

Date: _____

By: Rick DiMaio
Executive Vice President of Supply Chain
Ace Hardware Corporation

APPROVED AS TO FORM AND CONTENT BY:

Bibiyah Law Group, P.C.

Date:

3/13/2026

Vedang J. Patel

David D. Bibiyah, Esq.
Vedang J. Patel, Esq.
Attorneys for Plaintiffs Amolak Dhaliwal, Kaitlyn
Chapman, Emilia Long, and Ricardo Lupio

Diversity Law Group, P.C.

Date: 2/4/2026

Larry W. Lee, Esq.
Attorneys for Plaintiff Gerardo Negrete

ARCH Legal, P.C.

Date:

Hali M. Anderson, Esq.
Attorneys for Plaintiff Bennett Ley

**SHEPPARD, MULLIN, RICHTER &
HAMPTON LLP**

1 Payments (which includes payments to the LWDA), and Settlement Administration
2 Costs.

3
4 **PLAINTIFF**

5
6 *Gerardo Negrete*
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7 Date: 2/4/2026
Gerardo Negrete

8 **PLAINTIFF**

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10 Signed by:


11 Date: 2/9/2026
Bennett Ley
PT0AA30F7A9647D...

12 **PLAINTIFF**

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14 Date: _____
Amolak Dhaliwal

15 **PLAINTIFF**

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18 Date: _____
Kaitlyn Chapman

19 **PLAINTIFF**

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22 Date: _____
Emilia Long

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26 Date: _____
27 **PLAINTIFF**
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2 Date: _____
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_____ Ricardo Lupio

Date: _____
By: Rick DiMaio
Executive Vice President of Supply Chain
Ace Hardware Corporation

APPROVED AS TO FORM AND CONTENT BY:

Bibiyan Law Group, P.C.

Date: _____
_____ David D. Bibiyan, Esq.
Attorneys for Plaintiffs Amolak Dhaliwal,
Kaitlyn Chapman, Emilia Long, and Ricardo
Lupio

Diversity Law Group, P.C.

Date: 2/4/2026
_____ Larry W. Lee, Esq.
Attorneys for Plaintiff Gerardo Negrete

ARCH Legal, P.C.

Date: 2/10/2026
_____ Hali M. Anderson, Esq.
Attorneys for Plaintiff Bennett Ley

**SHEPPARD, MULLIN, RICHTER &
HAMPTON LLP**

Date: _____
Ricardo Lupio

2/9/2026
Date: _____
By: Rick DiMaio
Executive Vice President of Supply Chain
Ace Hardware Corporation

APPROVED AS TO FORM AND CONTENT BY:

Bibiyan Law Group, P.C.
Date: _____
David D. Bibiyan, Esq.
Attorneys for Plaintiffs Amolak Dhaliwal,
Kaitlyn Chapman, Emilia Long, and Ricardo
Lupio

Diversity Law Group, P.C.
Date: 2/4/2026
Larry W. Lee, Esq.
Attorneys for Plaintiff Gerardo Negrete

ARCH Legal, P.C.
Date: _____
Hali M. Anderson, Esq.
Attorneys for Plaintiff Bennett Ley

**SHEPPARD, MULLIN, RICHTER &
HAMPTON LLP**

1 Date: February 10, 2026



2 _____
3 Brooke S. Purcell, Esq.
4 Attorney for Defendant Ace Hardware
5 Corporation
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