

Arby Aiwarzian (SBN 269827)
Joanna Ghosh (SBN 272479)
Helene Mayer (SBN 332975)
LAWYERS for JUSTICE, PC
450 North Brand Blvd., Suite 900
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Plaintiffs

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO**

GILBERT CHAVEZ, JESSE CHAVEZ,
individually, and on behalf of other members
of the general public similarly situated and
on behalf of other aggrieved employees
pursuant to the California Private Attorneys
General Act; EVODIO VALLES,
individually, and on behalf of other members
of the general public similarly situated;

Plaintiffs,

vs.

KSC & SON CORPORATION, an unknown
business entity; CHANDI GROUP USA, an
unknown business entity; NACHHATTAR S.
CHANDI, an individual; and DOES 1
through 100, inclusive,

Defendants.

Lead Case No.: CIVSB2124237
Consolidated Case: CIVSB2126976

Honorable Christian Towns
Department S26

CLASS ACTION

**DECLARATION OF HELENE
MAYER IN SUPPORT OF
PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT**

[Plaintiffs' Motion for Preliminary
Approval of Class Action and PAGA
Settlement; Declarations of Proposed
Class Representatives (Gilbert Chavez,
Jesse Chavez, and Evodio Valles); and
[Proposed] Order filed concurrently
herewith]

Hearing Date: June 12, 2025
Hearing Time: 8:30 a.m.
Department: S26

Complaint Filed: August 20, 2021
FAC Filed: September 12, 2024
Trial Date: None Set

DECLARATION OF HELENE MAYER

I, Helene Mayer, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers *for* Justice, PC, attorneys of record for Plaintiffs Gilbert Chavez, Jesse Chavez, and Evodio Valles (“Plaintiffs”). The facts set forth in this declaration are within my personal knowledge or based on information and belief, and if called as a witness, I could and would competently testify thereto.

PROCEDURAL HISTORY

2. On July 14, 2021, Plaintiff Jesse Chavez sent a letter to the Labor and Workforce Development Agency (“LWDA”) and Defendants KSC & Son Corporation, Chandi Group, USA Inc., and Nachhattar S. Chandi (“Defendants”) of the specific provisions of the California Labor Code that were alleged to be violated (“Jesse Chavez LWDA Letter”), thereby initiating LWDA Case No. LWDA-CM-837992-21. Marked and attached hereto as “**EXHIBIT 1**” is a true and correct copy of the Jesse Chavez LWDA Letter.

3. On July 16, 2021, Plaintiff Gilbert Chavez sent a letter to the LWDA and Defendants of the specific provisions of the California Labor Code that were alleged to be violated (“Gilbert Chavez LWDA Letter”), thereby initiating LWDA Case No. LWDA- CM-838326-21. Marked and attached hereto as “**EXHIBIT 2**” is a true and correct copy of the Gilbert Chavez LWDA Letter. On August 20, 2021, Plaintiffs Jesse Chavez and Gilbert Chavez filed a Class Action Complaint for Damages, Case No. CIVSB2124237, in the San Bernardino County Superior Court, thereby commencing the above-captioned lawsuit (“Action”).

4. On September 22, 2021, Plaintiffs Jesse Chavez and Gilbert Chavez filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. in the San Bernardino County Superior Court, Case No. CIVSB2126976 (“PAGA Action”) against Defendants.

5. On February 7, 2022, Defendants filed an Answer to the Class Action Complaint for Damages in the Action and filed an Answer to PAGA Complaint in the PAGA Action.

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6. On September 12, 2024, Plaintiffs filed a Consolidated Class Action Complaint for Damages and Enforcement Action Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (the “Consolidated Complaint”), which combines the Class Action and PAGA Action and adds Evodio Valles as a named plaintiff and putative class representative (the Class Action and PAGA Action are collectively referred to as the “Actions”).

THE PROPOSED SETTLEMENT

7. Marked and attached hereto as “**EXHIBIT 3**” is a true and correct copy of the Joint Stipulation of Class Action and PAGA Settlement (“Settlement,” “Agreement,” or “Settlement Agreement”) entered into by and between Plaintiffs, individually and on behalf of all others similarly situated and other aggrieved employees, on the one hand, and Defendants, on the other hand (together, the “Parties”). The Parties and their counsel have approved the proposed Notice of Class Action Settlement (“Class Notice”), which is attached to the Settlement Agreement as “Exhibit A” and respectfully request that the Court approve it as well.

8. The Settlement provides for a Gross Settlement Amount of \$835,000.00 to be paid in a single payment on a non-reversionary basis. The Net Settlement Amount is the Gross Settlement Amount less the following amounts, subject to approval by the Court: Attorneys’ Fees of up to \$292,250.00 (if the Gross Settlement Amount remains \$835,000.00) and Litigation Costs not to exceed \$35,000.00 to Settlement Class Counsel, Incentive Awards to Plaintiffs of \$7,500.00 each (totaling \$22,500.00), Administration Fees to the Settlement Administrator not to exceed \$16,000.00, and the PAGA Allocation of \$25,000.00. Assuming that the amounts allocated under the Settlement toward these payments are awarded by the Court, the Net Settlement Amount that will be available for distribution to Settlement Class Members is currently \$444,250.00. Additionally, 25% of the PAGA Allocation (i.e., Employee PAGA Amount), which is \$6,250.00 out of \$25,000.00, will be distributed to the PAGA Group Members, for their respective portion of the PAGA Allocation. The Gross Settlement Amount will be fully distributed in accordance with the terms of the Settlement and there is no reversion to Defendants.

9. The Settlement Agreement provides for Settlement Class Counsel to apply for attorneys’ fees in an amount of up to 35% of the Gross Settlement Amount (i.e., \$292,250.00, if

1 the Gross Settlement Amount remains \$835,000.00) and expenses and costs of not more than
2 \$35,000.00, which will be paid out of the Gross Settlement Amount, subject to approval by the
3 Court. It should be noted that Settlement Class Counsel has borne all of the risks and costs of
4 litigation and will not receive any compensation until recovery is obtained. A description of the
5 qualifications of Settlement Class Counsel, the work performed by Settlement Class Counsel, and
6 the results achieved by Settlement Class Counsel in this matter can be found in paragraphs 22
7 through 27, *infra*.

8 10. The Settlement Agreement provides for payment of up to \$7,500.00 each to
9 Plaintiffs as Incentive Awards, to be paid out of the Gross Settlement Amount subject to approval
10 by the Court. Plaintiffs spent considerable time and effort to produce relevant documents and past
11 employment records and to provide the facts and evidence necessary to attempt to prove the
12 allegations. Plaintiffs were available whenever Settlement Class Counsel needed them and actively
13 tried to obtain information that would benefit the Class. For example, Plaintiffs Jesse Chavez and
14 Gilbert Chavez spent time preparing responses to Defendants' formal discovery requests,
15 producing responsive documents, attending their depositions, and reviewing their deposition
16 transcripts. Accordingly, it is appropriate and just for Plaintiffs to receive Incentive Awards, in
17 addition to their individual settlement payments, for their services on behalf of the Class, PAGA
18 Group Members, and State of California.

19 11. The Parties have agreed to retain ILYM Group, Inc., ("ILYM" or "Settlement
20 Administrator") to handle the notice and settlement administration process. The Parties
21 respectfully request that the Court appoint ILYM to handle these procedures and serve as the
22 Settlement Administrator. Defendants will provide ILYM with the Member Data, and the
23 Settlement Administrator will calculate each Class Member's estimated share of the Net
24 Settlement Amount ("Individual Settlement Payment") and each PAGA Group Member's
25 estimated *pro rata* share of the 25% portion of the PAGA Allocation. The Settlement
26 Administrator will be responsible for printing, distributing, and tracking Class Notices and other
27 documents for the Settlement, calculating and distributing payments due under the Settlement,
28 issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and

1 remittances, providing necessary reports and declarations, transmitting funds representing
2 uncashed checks after the void date to the California State Controller's Office for Unclaimed
3 Property, and other duties and responsibilities set forth to process the Settlement, and as requested
4 by the Parties. Administration Fees are currently estimated not to exceed \$16,000.00 and will be
5 paid out of the Gross Settlement Amount, subject to approval of the Court.

6 12. Under the Settlement Agreement, Defendants are responsible for any employer-side
7 tax obligations associated with the Gross Settlement Amount and will deposit that amount into the
8 settlement fund in addition to the Gross Settlement Amount. Each Settlement Class Member's
9 Individual Settlement Payment will be allocated 25% to wages and 75% to penalties, interest, and
10 non-wage damages. The Settlement Administrator will withhold the employee's share of taxes and
11 withholdings with respect to the wages portion of the Individual Settlement Payment.

12 **CONDITIONAL CERTIFICATION OF THE PROPOSED CLASS IS APPROPRIATE**

13 13. **Ascertainability**: The proposed Class is defined as all individuals who were
14 employed by Defendant KSC & Son Corporation and/or Chandi Group, USA Inc. in non-exempt
15 positions within the State of California at any time during the Class Period, the period from August
16 20, 2017 through April 30, 2024.

17 14. **Numerosity**: Based on data provided by Defendants, the Class is estimated to be
18 approximately 1,965 individuals who worked an estimated total of 38,380 Workweeks.

19 15. **Commonality**: Based on investigation and information discovered, Settlement
20 Class Counsel believes that there is sufficient evidence to support the allegations made in the
21 lawsuit, including the allegations that Defendants, with respect to Plaintiffs, Class Members, and
22 PAGA Group Members, *inter alia*, failed to properly pay overtime and minimum wages and
23 associated premium pay, failed to provide compliant meal and rest periods and to pay associated
24 premium pay, failed to timely pay wages during employment and upon termination of
25 employment, failed to provide compliant wage statements, failed to maintain requisite payroll
26 records, and failed to reimburse necessary business expenses, and thereby engaged in unfair
27 business practices and conduct giving rise to civil penalties recoverable under the Private
28 Attorneys General Act of 2004 (California Labor Code sections 2698, *et seq.*). Plaintiffs also

1 asserted that Class Members were expected to perform similar job duties and were subject to the
2 same or similar operations and employment policies, practices, and procedures. Additionally,
3 Plaintiffs asserted that Defendants' recordkeeping practices with respect to Plaintiffs, Class
4 Members, and PAGA Group Members were substantially the same during the time period at issue.
5 As a result of said alleged uniform practices, Plaintiffs claim that the Class Members were not paid
6 all of the compensation that was owed to them by Defendants. Thus, in Settlement Class Counsel's
7 view, it is clear that the outcome of this litigation would be determined by Defendants' uniform
8 operations and employment practices, policies, and procedures that Plaintiffs alleges applied across
9 its hourly-paid or non-exempt employees in California during the relevant time period.

10 16. **Adequacy and Typicality:** Plaintiffs undertook the responsibilities of representing
11 a class action against their former employer. Plaintiffs spent considerable time and effort to
12 produce relevant documents and past employment records and to provide the facts and evidence
13 necessary to attempt to prove the allegations. Plaintiffs were available whenever Settlement Class
14 Counsel needed them and actively tried to obtain information that would benefit the Class. For
15 example, Plaintiffs Jesse Chavez and Gilbert Chavez spent time preparing responses to
16 Defendants' formal discovery requests, producing responsive documents, attending their
17 depositions, and reviewing their deposition transcripts. Plaintiffs have no interests that are adverse
18 to the Class. Plaintiffs were employed by Defendants during the Class Period and subject to the
19 same alleged violations and the same policies, practices, and procedures. Plaintiffs took on the
20 challenge and risk of commencing and maintaining this action, and they have not yet received any
21 monetary benefit for their service to date. Plaintiffs put their own interests aside and brought a
22 publicly filed lawsuit against an employer not just for their own benefit, but, instead, on behalf of
23 other hourly-paid employees and the State of California.

24 **EXPERIENCE AND ADEQUACY OF LAWYERS for JUSTICE, PC**

25 17. For over a decade, Lawyers for Justice, PC has almost exclusively focused on the
26 prosecution of consumer and employment class actions, involving wage-and-hour claims, race
27 discrimination, unfair business practices, or consumer fraud. Currently, Lawyers for Justice, PC is
28 attorney of record in over a dozen employment-related putative class actions in both state and

1 federal courts in the State of California. Lawyers *for* Justice, PC is comprised of attorneys who
2 focus on litigating complex wage-and-hour class and Private Attorneys General Act (“PAGA”)
3 representative actions. The firm has successfully litigated cases involving the executive,
4 administrative, and other overtime exemptions to the State of California and federal overtime
5 compensation requirements. During a relatively short time, in association with other law firms,
6 Lawyers *for* Justice, PC has recovered millions of dollars on behalf of thousands of individuals in
7 California. Below is a summary of the experience and qualifications of the attorneys at Lawyers
8 *for* Justice, PC who most recently and primarily have been responsible for the representation of
9 Plaintiffs in connection with the resolution of above-captioned matter. Additional attorney and
10 non-attorney staff have also worked on the above-captioned matter.

11 18. Edwin Aiwarzian is the Managing Member and Shareholder of Lawyers *for* Justice,
12 PC. He received his Bachelor of Arts degree from Pepperdine University in April of 1999 and
13 earned a Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has
14 extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute
15 Resolution as part of its Masters in Dispute Resolution degree program. In addition, he has
16 previously served as a pro bono mediator for the Los Angeles County Superior Court. In October
17 of 2000, he obtained a Litigation Paralegal Certificate from the UCLA Extension Program. During
18 the summer of 2000, he studied Legal Writing at Harvard University. From approximately
19 September 2002 to approximately December 2002, he served as a Judicial Extern to the Honorable
20 Kim McLane Wardlaw of the United States Court of Appeals for the Ninth Circuit. From
21 approximately June 2002 to approximately August 2002, he served as a Judicial Extern to the
22 Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. In
23 December of 2004, he obtained a license to practice law from the California State Bar. Since in or
24 around October of 2008, through his work at Lawyers *for* Justice, PC, he has almost exclusively
25 focused on the prosecution of consumer and employment class actions. While employed by
26 Lawyers *for* Justice PC, he has argued over one hundred (100) motions, taken or defended over
27 one hundred fifty (150) depositions, prepared dozens of expert witnesses for deposition or trial,
28 and attended over one hundred seventy-five (175) mediations. Together with other attorneys at the

1 firm, and in many cases in conjunction with co-counsel, he has successfully litigated cases
2 involving the executive, administrative, and other overtime exemptions to the State of California
3 and federal overtime compensation requirements. Under his supervision, Lawyers for Justice, PC
4 has successfully obtained class certification by contested motion practice in approximately fifteen
5 (15) cases in the last decade and litigated over 1,000 class action or representative action cases.

6 19. Arby Aiwarzian is a Member and Shareholder of Lawyers for Justice, PC. He
7 received his Bachelor of Arts degree from University of California, Los Angeles and graduated
8 magna cum laude. He earned a Juris Doctor degree, cum laude, from Southwestern Law School.
9 From approximately May 2007 to approximately July 2007, he served as a Judicial Extern to the
10 Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District.
11 From approximately August 2008 to approximately December 2008 he served as a Judicial Extern
12 to the Honorable Kim McLane Wardlaw of the United State Court of Appeals for the Ninth
13 Circuit. He was admitted to practice law in California in 2010. He is admitted to practice before all
14 courts of the State of California and all United States District Courts in the State of California. He
15 has worked on many wage-and-hour class action and representative action cases, taking the lead in
16 taking and defending depositions, arguing motions, and attending mediations. He has played an
17 integral role in preparing matters for class certification, including and not limited to, successful
18 certification of a class in *Upson v. Sur La Table* (Los Angeles County Superior Court Case No.
19 BC424012), *Montazemi v. Regus Management* (Los Angeles County Superior Court Case No.
20 BC478769), and *Abdulhaqq v. Urban Outfitters* (Alameda County Superior Court Case No.
21 RG13680477). He has worked on over one hundred (100) class action or representative action
22 cases which have resulted in settlement.

23 20. Joanna Ghosh is a Senior Member of Lawyers for Justice, PC. She received a
24 Bachelor of Arts degree from California State University, Los Angeles in 2006, a Master of
25 Science degree from the London School of Economics in 2007, and a Juris Doctor degree from
26 Georgetown University Law Center in 2010. She is admitted to practice in California (since 2010)
27 and in New York (since 2013) and is also admitted to practice in all U.S. District Courts in
28 California, the U.S. Bankruptcy Court for the Central District of California, and the U.S. Supreme

1 Court. She has taken and defended dozens of depositions and successfully handled motion practice
2 in class action cases regarding discovery (including and not limited to, regarding class contact
3 information), class certification (both contested class certification and stipulated class
4 certification), arbitration agreements, coordination, intervention. She has successfully handled
5 briefing and oral argument on appeal, and obtained notable decisions regarding the Private
6 Attorneys General Act and employer efforts to compel arbitration of PAGA claims, e.g.,
7 *Betancourt v. Prudential Overall Supply*, 9 Cal.App.5th 439 (Cal. Ct. App., Mar. 7, 2017), cert.
8 denied (Cal., May 24, 2017), cert. denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court*, 8
9 Cal.5th175 (2019). She also has extensive experience with class action and/or representative action
10 settlements. Under her, Edwin Aiwasian, and Arby Aiwasian's supervision, the firm has handled
11 the class certification and court approval process for hundreds of class action and/or representative
12 action matters that have successfully resolved. She is a member of the California Employment
13 Lawyers Association.

14 21. I, Helene Mayer, am a Member of Lawyers for Justice, PC. I received my Bachelor
15 of Arts degree from University of San Diego in 2017, and I earned my Juris Doctor degree from
16 University of San Diego School of Law in 2020. I was admitted to practice law in California in
17 2021. I am admitted to practice before all courts of the State of California and all U.S. Federal
18 District Courts in the State of California. I have worked on wage-and-hour class action and PAGA
19 representative cases, and my work has included, inter alia, researching and drafting pleadings,
20 administrative notice exhaustion, drafting, negotiating, and finalizing stipulations and settlement
21 agreements, and making court appearances. Prior to working at Lawyers for Justice, PC, I worked
22 at law firms focused primarily on family law matters, including, inter alia, representing clients in
23 divorce, parentage, child custody, and domestic violence restraining order proceedings,
24 researching and drafting pleadings, negotiating and finalizing marital settlement agreements,
25 engaging in motion practice, and making court appearances.

26 **THE SETTLEMENT AND SUMMARY OF WORKED PERFORMED**

27 22. The effectiveness of Lawyers for Justice, PC ("Settlement Class Counsel") in
28 prosecuting this matter has translated into tangible monetary benefits for the Class Members in the

1 following respects: (1) Class Members recover over a reasonably short period of time as opposed
2 to waiting additional years for the same, or possibly worse, result; (2) a guaranteed result that
3 compares favorably with other similar class action settlements of this type given the strengths and
4 weaknesses of the case; and (3) significant savings in Settlement Class Counsel's fees and/or costs
5 that would have only increased significantly had the case progressed through certification, trial,
6 and/or appeals.

7 23. Settlement Class Counsel has litigated the matter for over 3 years and was actively
8 preparing the matters for class certification and trial. The Parties have engaged in extensive
9 settlement negotiations and participated in a mediation conducted by Deborah C. Saxe, Esq., a
10 well-respected mediator experienced in mediating complex labor and employment matters. In the
11 course of the litigation and in connection with the mediation and settlement discussions, the Parties
12 exchanged extensive information and engaged in discussions regarding their evaluations of the
13 case and various aspects of the case, including but not limited to, the risks and delays of further
14 litigation, the risks to the Parties of proceeding with class certification and/or representative
15 adjudication, the law relating to off-the-clock theory, meal and rest periods, PAGA representative
16 actions, and wage-and-hour law and enforcement, as well as the evidence produced and analyzed,
17 and the possibility of appeals, among other things. During all settlement discussions, the Parties
18 conducted their negotiations at arm's length in an adversarial position. Arriving at a settlement that
19 was acceptable to all Parties was not easy. Defendants and their counsel felt strongly about their
20 ability to prevail on the merits and at certification, and Plaintiffs and Settlement Class Counsel
21 believed that they would be able to obtain class certification and prevail at trial. After conducting
22 investigations and formal and informal discovery and exchange of information, extensive
23 settlement negotiations, and with the aid of the mediator's evaluation, the Parties have agreed that
24 the matter is well-suited for settlement given the legal issues relating to Plaintiffs' principal claims,
25 as well as the costs and risks to both sides that would attend further litigation. The Settlement is a
26 fair, reasonable, and adequate resolution of the Released Class Claims of Plaintiffs and Settlement
27 Class Members, and of the Released PAGA Claims of Plaintiffs, the State of California, and the
28 PAGA Group Members, against the Released Parties.

24. Prior to reaching the Settlement, Settlement Class Counsel investigated the veracity, strength, and scope of the claims, and was preparing the actions for class certification and trial. Plaintiffs conducted significant investigation and formal and informal discovery regarding the facts of the case, including and not limited to, the exchange, review, and analysis of a large volume of documents and data obtained from Defendants, Plaintiffs, and other sources. The volume of data and documents that Settlement Class Counsel reviewed and analyzed included and was not limited to: Plaintiffs' employment records, a detailed sampling of Plaintiffs' and other Class Members' time data and pay records, job descriptions, new hire checklists, Defendants' Employee Handbooks, daily activity records, internal memorandum, company policy acknowledgements (including but not limited to, ARCO Am-Pm Handbook, Go-Go Express Wash Handbook, Del Taco Employee Handbook, Meal Breaks and Rest Periods Acknowledgment, Meal & Rest Period Acknowledgment), forms (including but not limited to Meal Period Waiver Agreement), procedures, and policies (Prohibited Conduct, Procedures During a Robbery, General Manager Responsibilities and Job Duties Requirements, and Loss Prevention), among other information and documents. Settlement Class Counsel had the opportunity to interview Plaintiffs and other Class Members to gather facts and to identify potential witnesses. Settlement Class Counsel propounded multiple sets of formal written discovery requests on Defendants and noticed the depositions of multiple individuals regarding their employment with Defendants and job duties, along with accompanying requests for production of documents. Settlement Class Counsel reviewed Defendants' objections and responses thereto. Settlement Class Counsel responded to multiple sets of formal written discovery requests propounded by Defendants. Settlement Class Counsel also prepared for and took the depositions of multiple employees of Defendants and prepared for and defended the depositions of Plaintiffs Jesse Chavez and Gilbert Chavez. Counsel for the Parties also met and conferred on numerous occasions, e.g., to discuss issues relating to the pleadings, discovery, and the production of documents and data prior to the mediation. Settlement Class Counsel also drafted pleadings and the mediation brief and prepared for and attended court proceedings, mediation, and settlement negotiations, among other tasks.

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1 25. Counsel for the Parties have also invested time researching and investigating the
2 applicable law, which is constantly evolving as it relates to certification, representative PAGA
3 claims, off-the-clock theory, meal and rest periods, state wage-and-hour law and enforcement,
4 Plaintiffs' claims and damages, and Defendants' defenses thereto, as well as facts discovered.
5 Based on our analysis, I submit that the result achieved in this litigation is fair, adequate, and
6 reasonable.

7 26. Settlement Class Counsel is aware of the defenses and position of Defendants but
8 believes that Plaintiffs could potentially obtain class certification despite many obstacles. Plaintiffs
9 and Settlement Class Counsel have also taken into account the uncertainty and risk of the outcome
10 of further litigation, and the difficulties and delays inherent in such litigation, including those
11 involved in class certification and/or representative adjudication. Plaintiffs further recognize the
12 burdens of proof necessary to establish liability for the claims asserted in the lawsuit, Defendants'
13 defenses, and the difficulties in establishing entitlement to monetary recovery. Plaintiffs and
14 Settlement Class Counsel have also considered the Parties' settlement discussions, as well as the
15 evaluations of the mediator, who is experienced and well-regarded in complex labor and
16 employment matters.

17 27. Defendants, on the other hand, denied and continue to deny any liability and
18 wrongdoing of any kind associated with the claims alleged in the lawsuit, and further deny that the
19 lawsuit is appropriate for class treatment or representative adjudication for any purpose other than
20 this Settlement. Defendants believe that they would ultimately succeed in the matter. Both sides
21 have also had the opportunity to interview witnesses and review documents and information
22 relating to Plaintiffs', Class Members', and PAGA Group Members' employment with
23 Defendants, and Defendants' operations and employment policies, practices, and procedures. The
24 Parties also reviewed and analyzed a volume of documents and data to determine the potential
25 value and strength of the claims. The available information enabled Settlement Class Counsel to
26 assess and value the class and PAGA claims and prepare violation, damages, and penalties
27 analyses models. Accordingly, the Parties have conducted adequate investigation and discovery to
28 be sufficiently informed of the nature and extent of the Class Members' claims, and to enable both

1 sides to fully evaluate the Settlement for its fairness, adequacy, and reasonableness. The
2 Settlement takes into account the strengths and weaknesses of each side's position and the
3 uncertainty of how the case might have concluded at certification, trial, and/or appeals.

4 28. Settlement Class Counsel submits that the Settlement is fair, reasonable, and
5 adequate, and is in the best interest of Plaintiffs, the Class, and State of California. Settlement
6 Class Counsel further submits that the Settlement is within an acceptable range of recovery for this
7 type of litigation given the strengths and weaknesses of the case, the inherent costs and risks of
8 further litigation, and the costs and risks associated with class certification, representative
9 adjudication, trial, and/or appeals.

10 I declare under penalty of perjury under the laws of the State of California that the
11 foregoing is true and correct.

12 Executed on this 27th day of February 2025, at Mooresville, North Carolina.

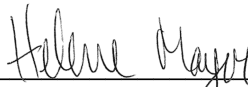
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EXHIBIT 1

LAWYERS FOR JUSTICE[®]

July 14, 2021

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfilings@dir.ca.gov

Re: KSC & SON CORPORATION; Nachhattar Singh Chandi, an individual

Dear Representative:

We have been retained to represent Jesse Chavez against KSC & Son Corporation and Nachhattar Singh Chandi, an individual (including any and all affiliates, subsidiaries, parents, directors, officers, and employees) (collectively referred to as "KSC & Son Corporation") for violations of California wage-and-hour laws. Mr. Chavez seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA") and all other remedies available under PAGA.

Nachhattar Singh Chandi is the Chief Executive Officer of KSC & Son Corporation. Nachhattar Singh Chandi, at all times herein relevant, was acting either individually or as an officer, owner, director, agent, or employee of KSC & Son Corporation, who caused and continues to cause all of the wage and hour violations alleged herein against the "aggrieved employees," as defined herein, including without limitation violations of Labor Code Section 558 and 1197.

Mr. Chavez seeks these remedies on behalf of the State of California and "aggrieved employees," as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

KSC & Son Corporation employed Mr. Chavez as an hourly-paid, non-exempt employee from approximately May 2017 to approximately March 2021, in the State of California.

The "aggrieved employees" that Mr. Chavez may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California.

Based on the following facts and theories, KSC & Son Corporation has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001, 7-2001, and 9-2001.

KSC & Son Corporation required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Mr. Chavez and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Mr. Chavez and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, KSC & Son Corporation required Mr. Chavez and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods. KSC & Son Corporation also required aggrieved employees to stay on work premises during rest periods.

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. During the relevant time period, KSC & Son Corporation failed to pay Mr. Chavez and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, KSC & Son Corporation failed to pay Mr. Chavez and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, KSC & Son Corporation did not provide Mr. Chavez and other aggrieved employees with complete and

accurate itemized wage statements. The wage statements they received from KSC & Son Corporation were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Mr. Chavez and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars (\$50) for each aggrieved employee per pay period for the initial violation and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Mr. Chavez and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Mr. Chavez and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Mr. Chavez and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Mr. Chavez and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, KSC & Son Corporation failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Mr. Chavez and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 2810.5 requires an employer to provide written notice to an employee, at the time of hiring, containing the following information:

The rate or rates of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, as applicable. Allowances, if any, claimed as part of the minimum wage, including meal or lodging allowances. The regular payday designated by the employer in accordance with the requirements of this code. The name of the employer, including any "doing business as" names used by the employer. The physical address of the employer's main office or principal place of business, and a mailing address, if different. The telephone number of the employer. The name, address, and telephone number of the employer's workers' compensation insurance carrier. That an employee: may accrue and use sick leave; has a right to request and

use accrued paid sick leave; may not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and has the right to file a complaint against an employer who retaliates. Any other information the Labor Commissioner deems material and necessary.

KSC & Son Corporation failed to accurately provide aggrieved employees with the requisite notice in violation of California Labor Code section 2810.5.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, KSC & Son Corporation did not provide Mr. Chavez and other aggrieved employees with the minimum wages to which they were entitled for work performed “off-the-clock.”

California Labor Code section 1198 provides that “The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful.” The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 4-2001, 7-2001, and 9-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee’s usual or scheduled day’s work, the employee shall be paid for half the usual or scheduled day’s work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee’s regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee’s regular rate of pay. During the relevant time period, KSC & Son Corporation failed to pay Mr. Chavez and other aggrieved employees half the usual or scheduled day’s work in an amount no less than two (2) hours nor more than four (4) hours at the employee’s regular rate of pay for workdays in which Mr. Chavez and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day’s work. During the relevant time period, KSC & Son Corporation failed to pay Mr. Chavez and other aggrieved employees for two (2) hours at the employee’s regular rate of pay on days in which Mr. Chavez and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Mr. Chavez and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by KSC & Son Corporation.

Therefore, on behalf of all aggrieved employees, Mr. Chavez seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA, including civil penalties pursuant to Labor Code section 558.

///

If you have any questions or require additional information, please do not hesitate to contact us.
Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,



Edwin Aiwanian, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

KSC & Son Corporation
c/o Susana E. Chandi
Agent for Service of Process
42270 Spectrum Street
Indio, CA 92203

Nachhattar Singh Chandi
42270 Spectrum Street
Indio, CA 92203

EXHIBIT 2

LAWYERS FOR JUSTICE

July 16, 2021

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfilings@dir.ca.gov

**Re: KSC & SON CORPORATION; CHANDI GROUP, USA Inc.;
NACHHATTAR S. CHANDI**

Dear Representative:

We have been retained to represent Gilbert Chavez against KSC & Son Corporation, Chandi Group, USA Inc. (including any and all affiliates, subsidiaries, parents, directors, officers, agents and executive employees) and Nachhattar S. Chandi (collectively referred to as "KSC & Son Corp., et al.") for violations of California wage-and-hour laws.

At all times herein relevant, Nachhattar S. Chandi was and is the Chief Executive Office, Secretary, Chief Financial Officer and Director of Chandi Group, USA Inc. and was and is the Chief Executive Officer, Director and President of KSC & Son Corporation. Mr. Chandi, acting either individually or as officer, owner, director, agent, manager, member, operator or employee of Chandi Group, USA Inc. and/or KSC & Son Corporation caused and continues to cause ***all*** of the wage and hour violations alleged herein against Mr. Chavez and/or the other "aggrieved employees," as defined herein, ***including without limitation*** violations of Labor Code Section 558 and 1197.1

Mr. Chavez seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA") and all other remedies available under PAGA.

Mr. Chavez seeks these remedies on behalf of the State of California and "aggrieved employees," as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

KSC & Son Corp., et al., employed Mr. Chavez as an hourly-paid, non-exempt employee from approximately May 2017 to approximately March 2021, in the State of California.

The "aggrieved employees" that Mr. Chavez may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities and/or individuals within the State of California at any of the operations owned, operated and/or managed by the above-referenced entities and/or individuals, including but not limited to the following: Arco Gas Stations, AMPM Convenience Stores, Go Go Express Wash, Waba Grill,

Black Bear Diner, Residential Investment Properties, Commercial Investment Properties, Burger King, Denny's Restaurant, Chelo's Burgers, and/or Dunkin Donuts.

Based on the following facts and theories, KSC & Son Corp., et al., has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 7-2001, 5-2001, 9-2001 and any other applicable IWC Wage Order.

KSC & Son Corp., et al., required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time. Such work included donning and doffing uniforms and personal protective equipment, undergoing health screening, cleaning, performing time sensitive tasks, communicating with managers in person and through personal cell phones, responding to customer requests and questions, opening and closing various business establishments daily, cashiering, preparing food, paperwork, and/or performing the daily job duties of the position.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Mr. Chavez and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Mr. Chavez and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, KSC & Son Corp., et al., required Mr. Chavez and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods. KSC & Son Corp., et al., also required aggrieved employees to stay on work premises during rest periods.

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. During the relevant time period, KSC & Son Corp., et al., failed to pay Mr. Chavez and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due

upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, KSC & Son Corp., et al., failed to pay Mr. Chavez and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, KSC & Son Corp., et al., did not provide Mr. Chavez and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from KSC & Son Corp., et al., were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Mr. Chavez and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars (\$50) for each aggrieved employee per pay period for the initial violation and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Mr. Chavez and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Mr. Chavez and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Mr. Chavez and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Mr. Chavez and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, KSC & Son Corp., et al., failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Mr. Chavez and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 2810.5 requires an employer to provide written notice to an employee, at the time of hiring, containing the following information:

The rate or rates of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, as applicable. Allowances, if any, claimed as part of the minimum wage, including meal or lodging allowances. The regular payday designated by the employer in accordance with the requirements of this code. The name of the employer, including any "doing business as" names used by the employer. The physical address of the employer's main office or principal place of business, and a mailing address, if different. The telephone number of the employer. The name, address, and telephone number of the employer's workers' compensation insurance carrier. That an employee: may accrue and use sick leave; has a right to request and use accrued paid sick leave; may not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and has the right to file a complaint against an employer who retaliates. Any other information the Labor Commissioner deems material and necessary.

KSC & Son Corp., et al., failed to accurately provide aggrieved employees with the requisite notice in violation of California Labor Code section 2810.5.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, KSC & Son Corp., et al., did not provide Mr. Chavez and other aggrieved employees with the minimum wages to which they were entitled for work performed "off-the-clock."

California Labor Code section 1198 provides that "The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 7-2001, 5-2001 and 9-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, KSC & Son Corp., et al., failed to pay Mr. Chavez and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Mr. Chavez and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, KSC & Son Corp., et al., failed to pay Mr. Chavez and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Mr. Chavez and the other aggrieved

employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Mr. Chavez and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Company. These costs include, but are not limited to, the use and purchase of clothes and shoes for business-related tasks, and the use and purchase of PPE for business-related tasks.

Therefore, on behalf of all aggrieved employees, Mr. Chavez seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA, including civil penalties pursuant to Labor Code section 558.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this most important matter.

With kind regards,



Edwin Aiwazian, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

KSC & Son Corportaion
c/o Agent for Service of Process
Susana E. Chandi
42270 Spectrum Street
Indio, CA 92203

Chandi Group, USA, Inc.
c/o Agent for Service of Process
Susana E. Chandi
42270 Spectrum Street
Indio, CA 92203

Nachhattar S. Chandi
President and CEO at Chandi Group USA
42270 Spectrum Street
Indio, CA 92203

EXHIBIT 3

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

2 This Joint Stipulation of Class Action and PAGA Settlement (“Agreement” or “Settlement
3 Agreement”) is made by and between the Plaintiffs GILBERT CHAVEZ, JESSE CHAVEZ, AND
4 EVODIO VALLES (“Plaintiffs”), on their own behalf and on behalf of all members of the
5 Settlement Class, as defined below, on the one hand, and Defendants KSC & SON
6 CORPORATION, CHANDI GROUP, USA INC. and NACHHATTAR S. CHANDI (collectively
7 “Defendants”) on the other hand (Plaintiffs and Defendants collectively referred to as the “Parties”),
8 in the lawsuits entitled *Gilbert Chavez and Jesse Chavez v. KSC & Son Corporation and Chandi*
9 *Group USA*, filed in San Bernardino County Superior Court, Case No. CIVSB2124237 (“Action”)
10 and *Gilbert Chavez and Jesse Chavez v. KSC & Son Corporation, Chandi Group USA, and*
11 *Nachhattar S. Chandi*, filed in San Bernardino County Superior Court, Case No. CIVSB2126976
12 (“PAGA Action”) (together, “Actions”). This Settlement resolves all claims that were asserted or
13 could have been asserted against Defendants pertaining to the allegations in the Actions.

14 **I. DEFINITIONS**

15 **A. “Administration Fees”** means all administrative costs of settlement, including costs
16 of notice to the Class, settlement administration, and any fees and costs incurred or charged by the
17 Settlement Administrator in connection with the execution of its duties under this Settlement.

18 **B. “Class Member(s)”** means all individuals who were employed by Defendant KSC
19 & Son Corporation and/or Chandi Group, USA Inc. in non-exempt positions within the State of
20 California at any time during the Class Period (collectively referred to as the “Class”).

21 **C. “Class Period”** means the period from August 20, 2017 through April 30, 2024.

22 **D. “Class Settlement”** means the settlement and release of Released Class Claims, as
23 defined below.

24 **E. “Court”** means the Superior Court of the State of California for the County of San
25 Bernardino.

26 **F. “Effective Date”** means: the later of: (a) if no timely objections are filed or if all
27 objections are withdrawn, the date upon which the Court enters the Final Approval Order; (b) if an
28 objection is filed and not withdrawn, the date for filing an appeal and no such appeal being filed

(c) if any timely appeals are filed, the date of the resolution (or withdrawal) of any such appeal in a way that does not alter the terms of the settlement.

G. “Final Approval Order” as used herein means the final formal judgment entered by the Court granting final approval of this Agreement.

H. “Gross Settlement Amount” means the sum of Eight Hundred Thirty-Five Thousand Dollars and Zero Cents (\$835,000.00), which shall be paid by Defendants, and from which all Individual Settlement Payments pursuant to Section XII, Court-approved Attorneys’ Fees and Litigation Costs pursuant to Section XIV, Administration Fees pursuant to Section IX, Incentive Awards pursuant to Section XV, and the PAGA Allocation pursuant to Section XVII, except as provided herein.

I. “Individual Settlement Payments” means payments made to the Settlement Class Members from the Net Settlement Amount as part of the Settlement.

J. “Individual PAGA Payments” means payments made to the PAGA Group Members from the Employee PAGA Amount that PAGA Group Members are eligible to receive under the PAGA Settlement.

K. “Net Settlement Amount” means the Gross Settlement Amount minus any Court-approved award of Attorneys’ Fees to Settlement Class Counsel, Attorney’s Litigation Costs to Settlement Class Counsel, Administration Fees to the Settlement Administrator, Incentive Awards to Plaintiffs, and the PAGA Allocation, and as provided in Sections VIII, IX, and XIV-XVII.

L. “PAGA Allocation” means the amount of Twenty-Five Thousand Dollars (\$25,000.00) from the Gross Settlement Amount which will be allocated toward penalties under the Private Attorneys General Act, California Labor Code § 2698 *et seq.*, of which seventy-five percent (75%) will be paid to the LWDA (i.e., the “LWDA Payment”), and twenty-five percent (25%) will be distributed to the PAGA Group Members (i.e., the “Employee PAGA Amount”).

M. “PAGA Group Members” means all individuals who were employed by Defendant KSC & Son Corporation and/or Chandi Group, USA Inc. in non-exempt positions within the State of California at any time during the PAGA Period (collectively referred to as the “PAGA Members” or “PAGA Group Members”).

1 **N. “PAGA Period”** means the period from July 14, 2020 through April 30, 2024.

2 **O. “PAGA Settlement”** means the settlement and release of Released PAGA Claims,
3 as defined below.

4 **P. “Plaintiffs”** as used herein means Gilbert Chavez, Jesse Chavez, and Evodio Valles.

5 **Q. “Settlement”** means the disposition and agreement to resolve the Actions.

6 **R. “Settlement Administrator”** means ILYM Group, Inc. (“ILYM”), the settlement
7 administrator selected by the Parties, and which will be responsible for the administration of the
8 Gross Settlement Amount, as defined below, and all related matters. The Parties each represent that
9 they do not have any financial interest in the Settlement Administrator or otherwise have a
10 relationship with the Settlement Administrator that could create a conflict of interest.

11 **S. “Settlement Class Counsel”** or **“Plaintiff’s Counsel”** mean Arby Aiwazian,
12 Joanna Ghosh, and Helene Mayer of Lawyers *for* Justice, PC and all the lawyers of this firm acting
13 on behalf of Plaintiff and the Class.

14 **T. “Settlement Class Member”** means a Class Member who does not timely opt out
15 of the class action portion of the settlement.

16 **U. “Workweek”** means any week during the Class Period in which a Class Member
17 worked at least one hour for Defendants.

18 **II. BACKGROUND**

19 **A.** On July 14, 2021, Plaintiff Jesse Chavez sent a letter to the Labor and Workforce
20 Development Agency, pursuant to California Labor Code section 2699.3, providing notice of his
21 intent to seek civil penalties under the Private Attorneys General Act, California Labor Code
22 section 2698, et seq., for Defendants’ alleged violations of California Labor Code sections 201,
23 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800
24 and 2802, and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-
25 2001, 7-2001, and 9-2001 (“Jesse Chavez LWDA Letter”), thereby initiating LWDA Case No.
26 LWDA-CM-837992-21.

27 **B.** On July 16, 2021, Plaintiff Gilbert Chavez sent a letter to the Labor and Workforce
28 Development Agency, pursuant to California Labor Code section 2699.3, providing notice of his

1 intent to seek civil penalties under the Private Attorneys General Act, California Labor Code
2 section 2698, et seq., for Defendants’ alleged violations of California Labor Code sections 201,
3 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800
4 and 2802, and Industrial Welfare Commission Wage Orders, including inter alia, Wage Orders 7-
5 2001, 5-2001, and 9-2001 (“Gilbert Chavez LWDA Letter”), thereby initiating LWDA Case No.
6 LWDA-CM-838326-21.

7 **C.** On August 20, 2021, Plaintiffs filed Case No. CIVSB2124237 in San Bernardino
8 County Superior Court, which is a wage and hour class action against Defendants. In this class
9 action (“Action”), Plaintiffs allege, *inter alia*, on behalf of themselves and all others similarly
10 situated, that Defendants violated California state wage and hour laws and the California Business
11 and Professions Code Section 17200 *et seq.* as a result of Defendants’ California wage and hour
12 policies and practices. Specifically, Plaintiffs alleged that Defendants violated the following
13 provisions of the California Labor Code: (1) California Labor Code sections 510 and 1198 (failure
14 to pay overtime); (2) California Labor Code sections 226.7 and 512(a) (failure to provide compliant
15 meal periods and associated premiums); (3) California Labor Code section 226.7 (failure to provide
16 rest periods and associated premiums); (4) California Labor Code sections 1194, 1197, and 1197.1
17 (failure to pay minimum wages); (5) California Labor Code sections 201 and 202 (failure to timely
18 pay final wages); (6) California Labor Code section 204 (failure to timely pay wages during
19 employment); (7) California Labor Code section 226(a) (failure to provide accurate wage
20 statements); (8) California Labor Code section 1174(d) (failure to keep requisite payroll records);
21 (9) California Labor Code sections 2800 and 2802 (failure to reimburse necessary business
22 expenses); and (10) California Business & Professions Code sections 17200, *et seq.*

23 **D.** On September 22, 2021, Plaintiffs filed Case No. CIVSB2126976 in San Bernardino
24 County Superior Court (“PAGA Action”), alleging a single representative cause of action under
25 Private Attorneys General Act, California Labor Code section 2698, et seq. (“PAGA”) action
26 against Defendants.

1 **E.** The Parties have agreed that the Actions may be consolidated. The parties shall seek
2 leave of court to file a consolidated complaint combining the Class Action and PAGA Action and
3 add Evodio Valles as a named plaintiff and putative class representative.

4 **F.** Settlement Class Counsel conducted extensive investigation, discovery, review and
5 analysis of data and documents, and evaluation concerning the claims set forth in the Actions.

6 **G.** Plaintiffs and Settlement Class Counsel have engaged in good faith, arms-length
7 negotiations with Defendants concerning possible settlement of the claims asserted in the Actions.
8 These good faith, arms-length negotiations resulted in settlement of the Actions memorialized in
9 this Settlement Agreement after extensive negotiations about the terms and conditions of the
10 Settlement.

11 **H.** Settlement Class Counsel has conducted an investigation of the law and facts
12 relating to the claims asserted in the Actions and has concluded, taking into account the sharply
13 contested issues involved, the defenses asserted by Defendants, the expense and time necessary to
14 pursue the Actions through trial and any appeals, the risks and costs of further prosecution of the
15 Actions, the risk of an adverse outcome, the uncertainties of complex litigation, and the substantial
16 benefits to be received by Plaintiffs and the members of the Class and State of California pursuant
17 to this Agreement, that a settlement with Defendants on the terms and conditions set forth herein is
18 fair, reasonable, adequate, and in the best interests of the Class and State of California. Plaintiffs,
19 on their own behalf, on behalf of the Class, and as a private attorney general on behalf of the State
20 of California with respect to PAGA Members, have agreed to settle the Actions with Defendants
21 on the terms set forth herein.

22 **I.** Defendants have concluded that, because of the substantial expense of defending
23 against the Actions, the length of time necessary to resolve the issues presented herein, the
24 inconvenience involved, and the concomitant disruption to its business operations, it is in
25 Defendants' best interest to accept the terms of this Agreement. Defendants deny each of the
26 allegations and claims asserted against it in the Actions. However, Defendants nevertheless desire
27 to settle the Actions for the purpose of avoiding the burden, expense, and uncertainty of continuing
28 litigation and for the purpose of putting to rest the controversies engendered by the Actions.

1 **J.** This Agreement is intended to and, upon final approval by the Court, does effectuate
2 the full, final, and complete settlement of the allegations and claims set forth in Section II.A-D.

3 **III. JURISDICTION**

4 The Court has jurisdiction over the Parties and the subject matter of these Actions. The
5 Actions include claims that, while Defendants deny them in their entirety, would, if proven,
6 authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted
7 final approval of the Settlement and after the Court has ordered the entry of judgment, pursuant to
8 California Code of Civil Procedure Section 664.6 the Court shall retain jurisdiction of the Actions
9 solely for the purpose of interpreting, implementing, and enforcing this Settlement consistent with
10 the terms set forth herein.

11 **IV. STIPULATION OF CLASS CERTIFICATION**

12 **A.** The Parties stipulate to the certification of the Class for purposes of settlement only.
13 This stipulation is contingent upon the preliminary and final approval and certification of the Class
14 only for purposes of settlement. Should the Settlement not become final, for whatever reason, the
15 fact that the Parties were willing to stipulate provisionally to class certification as part of the
16 Settlement shall have no bearing on, and shall not be admissible in connection with, the issue of
17 whether a class should be certified in a non-settlement context in the Actions. Defendants expressly
18 reserve the right to oppose class certification and/or proactively move to deny certification should
19 this Settlement be modified or reversed on appeal or otherwise not become final.

20 **B.** The Parties agree that class certification pursuant to California Code of Civil
21 Procedure Section 382 under the terms of this Agreement is for settlement purposes only. Nothing
22 in this Agreement will be construed as an admission or acknowledgement of any kind that any class
23 should be certified or given collective treatment in the Actions or in any other action or proceeding.
24 Further, neither this Agreement nor the Court's actions with regard to this Agreement will be
25 admissible in any court or other tribunal regarding the propriety of class certification or collective
26 treatment. In the event that this Agreement is not approved by the Court or any appellate court, is
27 terminated, or otherwise fails to be enforceable, Plaintiffs will not be deemed to have waived,
28 limited, or affected in any way any claims, rights, or remedies in the Actions solely by virtue of

1 anything contained in this Agreement, and Defendants will not be deemed to have waived, limited,
2 or affected in any way any of its objections or defenses in the Actions solely by virtue of anything
3 contained in this Agreement.

4 **V. MOTION FOR PRELIMINARY APPROVAL**

5 **A.** Plaintiffs will bring a motion before the Court for an order preliminarily approving
6 the Settlement including the Notice of Class Action Settlement (“Class Notice”), which is attached
7 hereto as “**Exhibit A**,” and including certification of the Class for settlement purposes only.

8 **B.** The date that the Court enters an order granting preliminary approval of the
9 Settlement will be the “Preliminary Approval Date.”

10 **C.** Settlement Class Counsel will prepare the motion for preliminary approval of the
11 Settlement and will provide Defendants’ counsel the opportunity to review it and provide input
12 before it is filed. Defendants agree that it will not oppose Plaintiffs’ Motion for Preliminary
13 Approval insofar as the motion is consistent with the terms in this Agreement, nor shall it seek to
14 delay the hearing on this motion for more than thirty (30) days from the date obtained by Plaintiffs.
15 This is a material term of the Settlement and any delay or opposition by Defendants in violation of
16 this paragraph will be grounds for Plaintiffs to withdraw from the Settlement.

17 **VI. STATEMENT OF NO ADMISSION**

18 **A.** Defendants deny liability for any claim or cause of action asserted in the LWDA
19 Letters and the Actions. This Agreement does not constitute, and is not intended to constitute, an
20 admission by Defendants as to the merits, validity, or accuracy of any of the allegations or claims
21 made against it in the LWDA Letters and the Actions.

22 **B.** Nothing in this Agreement, nor any action taken in implementation thereof, nor any
23 statements, discussions or communications, nor any materials prepared, exchanged, issued or used
24 during the course of the negotiations leading to this Agreement or the Settlement, is intended by
25 the Parties to constitute, nor will any of the foregoing constitute, be introduced, be used or be
26 admissible in any way in this case or any other judicial, arbitral, administrative, investigative or
27 other forum or proceeding as evidence of any violation of any federal, state, or local law, statute,
28 ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. The

1 Parties themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in
2 this case or any other judicial, arbitral, administrative, investigative, or other forum or proceeding,
3 as purported evidence of any violation of any federal, state, or local law, statute, ordinance,
4 regulation, rule or executive order, or any obligation or duty at law or in equity, or for any other
5 purpose. Notwithstanding the foregoing, this Agreement may be used and filed in any proceeding
6 before the Court that has as its purpose the interpretation, implementation, or enforcement of this
7 Agreement or any orders or judgments of the Court entered in connection with implementation of
8 this Agreement and/or the Settlement.

9 C. None of the documents produced or created by Plaintiffs or the Class in connection
10 with settlement procedures constitute, and they are not intended to constitute, an admission by
11 either Plaintiffs or Defendants regarding whether or not any violation of any federal, state, or local
12 law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or in
13 equity has occurred.

14 **VII. WAIVER, RELEASE AND CONFIDENTIALITY**

15 **A. Release As to All Settlement Class Members.**

16 Upon the Effective Date, Plaintiffs and all Settlement Class Members waive, release, and
17 discharge Defendants, Defendants and each of their current and former parents, owners,
18 subsidiaries, divisions, and affiliated or related persons or entities, and each of their respective
19 officers, directors, employees, partners, shareholders, attorneys, agents, executors, and assigns
20 (collectively, “Released Parties”) of any and all causes of action, claims, costs, damages, penalties,
21 attorneys’ fees and factual or legal theories that were alleged in the operative complaint in the
22 Action, or reasonably could have been alleged based on the facts and legal theories contained in
23 the operative complaint in the Action, arising during the Class Period, including the but not limited
24 to: (1) alleged failure to pay overtime wages pursuant to California Labor Code sections 510, 1194,
25 1197, and 1198 and the IWC Wage Orders; (2) alleged failure to provide meal periods pursuant to
26 California Labor Code sections 226.7 and 512 and the IWC Wage Orders; (3) alleged failure to
27 provide rest periods pursuant to California Labor Code sections 226.7 and 512 and the IWC Wage
28 Orders; (4) alleged failure to pay all minimum wages owed pursuant to California Labor Code

1 sections 1194, 1197, and 1197.1 and the IWC Wage Orders; (5) alleged failure to pay all wages
2 owed at termination pursuant to California Labor Code sections 201 and 202 and the IWC Wage
3 Orders; (6) alleged failure to pay all wages in a timely manner during employment pursuant to
4 California Labor Code section 204 and the IWC Wage Orders; (7) alleged failure to furnish accurate
5 itemized wages statements pursuant to California Labor Code section 226 and the IWC Wage
6 Orders; (8) alleged failure to maintain adequate payroll records pursuant to California Labor Code
7 section 1174 and IWC Wage Orders; (9) alleged failure to reimburse all necessary business
8 expenses pursuant to California Labor Code sections 2800 and 2802 and the IWC Wage Orders;
9 and (10) alleged violations of California Business & Professions Code sections 17200, *et seq.*
10 (collectively, “Released Class Claims”).

11 **B. Released as to State of California and PAGA Members.**

12 Upon the Effective Date, Plaintiffs, the State of California, and PAGA Members waive,
13 release, and discharge Released Parties of claims for civil penalties under the Private Attorneys
14 General Act, California Labor Code section 2698, *et seq.*, arising during the PAGA Period, based
15 on the factual allegations and legal theories in the LWDA Letters and operative complaint in the
16 Action, for alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7,
17 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and Industrial
18 Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-2001, 5-2001, 7- 2001,
19 and 9-2001 and costs, and attorney’s fees (collectively, “Released PAGA Claims”).

20 **C. General Release by Plaintiffs Only.**

21 In addition to the releases made in Section VII.A-B, Plaintiffs make the additional following
22 general release of all claims, known or unknown. Plaintiffs release the Released Parties from all
23 claims, demands, rights, liabilities and causes of action of every nature and description whatsoever,
24 known or unknown, asserted or that might have been asserted, whether in tort, contract, or for
25 violation of any state or federal statute, rule or regulation arising out of, relating to, or in connection
26 with Plaintiffs’ relationship with Defendants as well as any and all acts or omissions by or on the
27 part of Defendants, excluding only claims that, by law, may not be privately released. (The release
28 set forth in this Section VII.C shall be referred to hereinafter as the “General Release.”)

1 With respect to the General Release, Plaintiffs stipulate and agree that, upon the Effective
2 Date, Plaintiffs shall be deemed to have expressly waived and relinquished, to the fullest extent
3 permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code,
4 or any other similar provision under federal or state law, which provides:

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

11 This release specifically excludes claims for unemployment insurance, disability, social security,
12 and workers compensation (with the exception of claims arising pursuant to California Labor Code
13 Sections 132(a) and 4553). Accordingly, if the facts relating in any manner to this Settlement are
14 found hereafter to be other than or different from the facts now believed to be true, the release of
15 claims contained herein shall be effective as to all unknown claims.

16 **VIII. MONETARY CONSIDERATION FOR SETTLEMENT**

17 **A. Consideration for This Agreement.**

18 As consideration for this Agreement, Defendants will make a payment that totals the Gross
19 Settlement Amount of Eight Hundred Thirty-Five Thousand Dollars and Zero Cents (\$835,000.00).
20 The payment of the Gross Settlement Amount represents full and complete settlement of this
21 matter. The Gross Settlement Amount includes all Attorneys' Fees and Litigation Costs,
22 Administration Fees, Incentive Awards to the class and PAGA representatives, and the PAGA
23 Allocation. The balance of the Gross Settlement Amount, after deduction of attorneys' fees and
24 costs, Administration Fees, the PAGA Allocation, and the Incentive Awards, will be the Net
25 Settlement Amount. Defendants' employer payroll taxes and contributions in connection with the
26 wages portion of the Settlement ("Employer Taxes") shall be paid separately and in addition to the
27 Gross Settlement Amount.

28 **B. Potential Increase to the Settlement Amount.**

Defendants represented that there will be no more than 47,120 Workweeks during the Class
Period. If the number of Workweeks is actually more than 10% higher than 47,120, i.e., there are

1 more than 51,832 Workweeks (“Workweeks Threshold”), the Gross Settlement Amount will
2 increase on a *pro rata* basis to the extent the Workweeks Threshold is exceeded. For example, if
3 the Workweeks for the referenced time period exceed the Workweeks Threshold by 1%, then the
4 Gross Settlement Amount will be increased by 1%.

5 **IX. SETTLEMENT ADMINISTRATOR**

6 Plaintiffs and Defendants, through their respective counsel, have selected ILYM as a
7 Settlement Administrator to administer the Settlement, which includes but is not limited to
8 distributing and responding to inquiries about the Class Notice, determining the timeliness, validity,
9 and/or completion of any objections, Opt-Outs, and/or Workweeks Disputes, and calculating all
10 amounts to be paid from the Net Settlement Amount. Charges and expenses of the Settlement
11 Administrator, estimated to be no more than Sixteen Thousand Dollars and Zero Cents
12 (\$16,000.00), will be paid from the Gross Settlement Amount. Any charges and expenses of the
13 Settlement Administrator greater than the allocated \$16,000.00 will be paid from the Gross
14 Settlement Amount. If the actual Administration Fees awarded are less than the amount provided
15 herein, the difference will be part of the Net Settlement Amount. The Parties agree that this
16 Agreement may be provided to the Settlement Administrator to effectuate its implementation of the
17 settlement procedures herein.

18 **X. NOTICE, OBJECTIONS AND OPT-OUT RIGHTS**

19 **A. Notice to the Class.**

20 Plaintiffs and Defendants, through their respective attorneys, have jointly prepared the Class
21 Notice, which in substance will be provided to the Class Members as follows:

22 **1.** As soon as practicable following preliminary approval of the Settlement, but
23 no later than twenty-one (21) calendar days after the Preliminary Approval Date, Defendants will
24 provide to the Settlement Administrator the following information for each Class Member: (1) full
25 name; (2) last known mailing address; (3) Social Security number; (4) the number of Workweeks
26 worked during the Class Period; and (6) number of Workweeks during the PAGA Period
27 (collectively, “Member Data”). Defendants further agrees to consult with the Settlement
28 Administrator prior to the production date to ensure that the format will be acceptable to the

1 Settlement Administrator. Plaintiffs' Counsel shall also receive a redacted Member Data that shall
2 only disclose an identification number attributed to each Class Member and their associated
3 Workweeks during the Class Period and PAGA Period.

4 2. The Settlement Administrator shall run all the addresses provided through
5 the United States Postal Service NCOA database (which provides updated addresses for any
6 individual who has moved in the previous four years who has notified the U.S. Postal Service of a
7 forwarding address) to obtain current address information, and shall mail the Class Notice to the
8 Class Members via first-class U.S. Mail using the most current mailing address information
9 available, within ten (10) calendar days of the receipt of the Member Data from Defendants.

10 3. The Class Notice will include information regarding the nature of the
11 Actions; a summary of the terms of the Settlement; the definition of the Class; a statement that the
12 Court has preliminarily approved the Settlement; the nature and scope of the claims being released;
13 the procedure and time period for objecting to the Class Settlement, the date and location of the
14 Final Approval Hearing; information regarding the procedure for opting out of the Class
15 Settlement; the number of Workweeks credited to each Class Member and the procedure for
16 disputing the number of Workweeks credited; and the estimated Individual Settlement Payment for
17 the Class Member.

18 4. If a Class Notice is returned as undeliverable within thirty (30) calendar days
19 after the initial mailing, the Settlement Administrator will perform a skip trace in an attempt to
20 locate a more current address within three (3) business days of receipt of the returned mail. If the
21 Settlement Administrator is successful in locating an updated address, it will re-mail the Class
22 Notice to the Class Member as soon as possible. Further, any Class Notices returned with a
23 forwarding address to the Settlement Administrator before the Response Deadline, shall be re-
24 mailed to the forwarding address affixed thereto.

25 5. Class Members will be given sixty (60) calendar days after the Class Notice
26 is initially mailed to the Class Members, to submit Workweeks Disputes, Opt-Outs, and/or written
27 objections ("Response Deadline"). With respect to any Class Notice that is re-mailed, the Response
28

1 Deadline for the Class Member whose Class Notice is re-mailed will be extended an additional
2 fifteen (15) calendar days from the original Response Deadline.

3 **6.** No later than twenty-five (25) calendar days before the Final Approval
4 Hearing, the Settlement Administrator shall provide counsel for Defendants and Settlement Class
5 Counsel with a declaration attesting to the completion of the settlement notice administration
6 process, including the number of attempts to obtain valid mailing addresses for and re-sending of
7 any returned Notices, as well as the number of Workweeks Disputes, Opt-Outs, and objections
8 received.

9 **B. Objections.**

10 Settlement Class Members who do not submit an Opt-Out may object to the Class
11 Settlement. To object to the Class Settlement, a Settlement Class Member may send a written
12 objection to the Settlement Administrator or appear at the Final Approval Hearing with or without
13 submitting a written objection to the Class Settlement. The Settlement Class Member may appear
14 personally or through an attorney, at his or her own expense, at the Final Approval Hearing to
15 present his or her objection directly to the Court. However, any attorney who will represent an
16 objector must file a notice of appearance with the Court and serve Settlement Class Counsel and
17 Defendants' counsel no later than the Response Deadline. A written objection to the Class
18 Settlement must: (1) contain the case name and number of the Actions; (2) contain the Settlement
19 Class Member's full name, address, telephone number, signature, and last four digits of his or her
20 Social Security number; (3) clearly state the grounds for the objection; (4) state whether the
21 Settlement Class Member intends to appear at the Final Approval Hearing; and (5) be mailed to the
22 Settlement Administrator, postmarked no later than the Response Deadline. If a Class Member
23 objects to the Class Settlement, the Class Member will remain a Settlement Class Member and if
24 the Court approves this Agreement, the Settlement Class Member will be bound by the terms of the
25 Class Settlement in the same way and to the same extent as a Settlement Class Member who does
26 not object to the Class Settlement. The date of mailing of the Class Notice to the objecting
27 Settlement Class Member shall be conclusively determined according to the records of the
28 Settlement Administrator. The Court retains final authority with respect to the consideration and

admissibility of any objections to the Class Settlement from Settlement Class Members. The Class Notice shall contain instructions on how to object to the Class Settlement.

C. Opportunity to Be Excluded from the Class Settlement and Defendants' Opt-Out Threshold.

1. In order for any Class Member to validly exclude himself or herself from the Class Settlement (i.e., to validly opt out of the Class Settlement), a written request to opt-out of the Class Settlement ("Opt-Out") must: (1) contain the case name and number of the Actions; (2) contain the Class Member's full name, address, telephone number, and last four digits of his or her Social Security number; (3) be signed by the Class Member or his or her authorized legal representative; (4) contain a clear statement that the Class Member requests to be excluded from the Class Settlement; and (5) be sent to the Settlement Administrator, postmarked by no later than the Response Deadline. The Class Notice shall contain instructions on how to opt out.

2. The date of the initial mailing of the Class Notice, and the date the signed Opt-Out was postmarked, shall be conclusively determined according to the records of the Settlement Administrator. Any Class Member who timely and validly submits an Opt-Out will not be entitled to an Individual Settlement Payment, will not be bound by the Class Settlement, and will not have any right to object, appeal, or comment thereon.

3. Any Class Member who does not submit a timely and valid Opt-Out to the Settlement Administrator will be deemed bound to the Class Settlement in accordance with this Settlement. All PAGA Group Members shall be bound to the PAGA Settlement regardless of their decision to participate in the Class Settlement.

4. In the event that five percent (5%) or more of the Class Members exercise their right to exclude themselves and opt out of the Class Settlement, Defendants retains the exclusive right, but not the obligation, to withdraw from and terminate the Settlement and return all Parties back to their same position before the Settlement was reached and the Settlement Agreement was entered into. In the event that Defendants exercise such rights under this Section, Plaintiffs and Defendants shall resume the Actions. Defendants must notify Settlement Class Counsel and the Court in writing of such a decision to withdraw and terminate the Settlement no

1 later than fourteen (14) business days after receiving written notice from the Settlement
2 Administrator that the number of opt outs exceed 5% of the Class. In the event of Defendants'
3 withdrawal, no Party may use the fact that the Parties agreed to the Settlement for any reason, and
4 Defendants shall pay all administration expenses of the third party administrator pertaining to this
5 Agreement incurred through the date of its termination of the Settlement.

6 **D. Cooperation.**

7 The Parties and their respective counsel agree not to encourage members of the Class to opt
8 out of the Class Settlement or to object to the Class Settlement, directly or indirectly, through any
9 means. However, if a Class Member contacts Settlement Class Counsel, Settlement Class Counsel
10 may discuss the terms of the Settlement only.

11 **XI. WORKWEEKS DISPUTE PROCEDURE**

12 **A.** If a Class Member and/or PAGA Group Member disputes the number of Workweeks
13 credited to him or her for the Class Period and/or PAGA Period, which will be set forth in the Class
14 Notice, he or she must submit a written dispute ("Workweeks Dispute") that: (a) contains the case
15 name and number of the Actions; (b) contains the Class Member's full name, address, telephone
16 number, signature, and last four digits of his or her Social Security number; (c) contains a statement
17 setting forth the number of Workweeks during the Class Period and/or PAGA Period that he or she
18 contends is correct and attaches any relevant documentation in support thereof; and (d) is submitted
19 to the Settlement Administrator by mail, postmarked no later than the Response Deadline. If a Class
20 Member and/or PAGA Group Member does not dispute his or her number of Workweeks, the
21 number of Workweeks set forth in the Class Notice will govern the Individual Settlement Payment
22 to the Class Member and/or the Individual PAGA Payment to the PAGA Group Member, such
23 individual need not take further action to participate in the Settlement.

24 **B.** Upon timely receipt of any such challenge, the Settlement Administrator, in
25 consultation with Settlement Class Counsel and counsel for Defendants, will review the pertinent
26 records showing the dates the Class Member worked for Defendants in California and the number
27 of Workweeks worked, which records Defendants agrees to make available to the Settlement
28 Administrator.

1 C. After consulting with Settlement Class Counsel and counsel for Defendants, the
2 Settlement Administrator shall compute the number of Workweeks to be used in computing the
3 Class Member's *pro rata* share of the Net Settlement Amount and the PAGA Group Members' *pro*
4 *rata* share of the Employee PAGA Amount. In the event that there is a disparity between the
5 number of Workweeks a Class Member claims he or she worked during the Class Period and/or
6 number of Workweeks a PAGA Group Member claims he or she worked during PAGA Period and
7 the number of Workweeks indicated by Defendants' records, Defendants' records will control
8 unless inconsistent with verifiable and trustworthy records provided by the Class Member and/or
9 PAGA Group Member (or bona fide copies thereof). The Settlement Administrator's decision as
10 to the number of Workweeks to be credited to a Class Member and/or PAGA Group Member shall
11 be final and non-appealable. The Settlement Administrator shall send written notice of the decision
12 on any such dispute to the Class Member and/or PAGA Group Member, to Settlement Class
13 Counsel, and counsel for Defendants within ten (10) calendar days of receipt of the Workweeks
14 Dispute.

15 **XII. COMPUTATION AND DISTRIBUTION OF PAYMENTS**

16 **A. Formula for Calculating Individual Settlement Payments.**

17 Settlement Class Members (i.e., Class Members who do not submit a timely and valid Opt-
18 Out) will receive a lump sum payment as good and valuable consideration for the waiver and release
19 of Released Class Claims set forth in Section VII.A, above, in an amount determined by the
20 Settlement Administrator in accordance with the provisions of this Agreement. Each Settlement
21 Class Member's Individual Settlement Payment will be determined as follows:

22 1. Defendants will calculate the number of Workweeks of each Settlement Class
23 Member during the Class Period and include this information in the Member Data.

24 2. The value of each Workweek shall be determined by the Settlement
25 Administrator by dividing the Net Settlement Amount by the total number of Workweeks of all
26 Settlement Class Members ("Class Workweek Point Value").

27 3. Each Settlement Class Member's individual Workweeks will be multiplied
28 by the Class Workweek Point Value to arrive at his or her Individual Settlement Payment.

1 Individual Settlement Payments for each Settlement Class Member will be reduced by any required
2 legal deductions for the employee's share of taxes and withholdings on the wages portion of the
3 Individual Settlement Payments.

4 **B. Formula for Calculating Individual PAGA Payments.**

5 PAGA Group Members will receive a lump sum payment as good and valuable
6 consideration for the waiver and release of Released PAGA Claims set forth in Section VII.B,
7 above, in an amount determined by the Settlement Administrator in accordance with the provisions
8 of this Agreement. Each PAGA Group Member's Individual PAGA Payment will be determined
9 as follows:

10 1. Defendants will calculate the number of Workweeks of each PAGA Group
11 Member during the PAGA Period ("PAGA Workweeks") and include this information in the
12 Member Data.

13 2. The value of each PAGA Workweek shall be determined by the Settlement
14 Administrator by dividing the Employee PAGA Amount by the total number of PAGA Workweeks
15 of all PAGA Group Members ("PAGA Workweek Point Value").

16 3. Each PAGA Group Member's individual PAGA Workweeks will be
17 multiplied by the PAGA Workweek Point Value to arrive at his or her Individual PAGA Payment.

18 **C. Funding of Settlement.**

19 Within twenty-one (21) calendar days following the Effective Date, Defendants will deposit
20 the Gross Settlement Amount into an interest-bearing account established by the Settlement
21 Administrator for administration of the Settlement. At no time prior to the Effective Date shall
22 Defendants be required to escrow any portion of the Gross Settlement Amount.

23 **D. Time for Distribution.**

24 1. The Settlement Administrator shall distribute the Court-approved Attorney's
25 Fees and Litigation Costs to Settlement Class Counsel, Court-approved Incentive Awards to
26 Plaintiffs, Court-approved Administration Fees to the Settlement Administrator, LWDA Payment
27 to the LWDA, Individual Settlement Payments to Settlement Class Members, and the Individual
28

1 PAGA Payments to PAGA Group Members within ten (10) calendar days following the full
2 funding of the Settlement.

3 2. If an Individual Settlement Payment and/or Individual PAGA Payment
4 check is returned to the Settlement Administrator as undeliverable within thirty (30) calendar days
5 of the mailing of the check, the Settlement Administrator shall promptly attempt to obtain a valid
6 mailing address by performing a skip trace search and, if another address is identified, shall mail
7 the check to the newly identified address. The Settlement Administrator may, at its discretion,
8 distribute the Individual Settlement Payment and Individual PAGA Payment by way of a single
9 check that combines both payments (if applicable).

10 3. Any checks issues by the Settlement Administrator to Settlement Class
11 Members and PAGA Group Members will be valid and negotiable for ninety (90) days after
12 issuance, and thereafter, the checks will be cancelled. The funds remaining and associated with
13 cancelled Individual Settlement Payment and/or Individual PAGA Payment checks will be sent by
14 the Settlement Administrator as unclaimed funds to the California State Controller, in the name of
15 the Settlement Class Member. The Released Claims will be binding upon all Settlement Class
16 Members, including those who do not cash their Individual Settlement Payment checks, as of the
17 Effective Date.

18 **XIII. NO CONTRIBUTIONS TO EMPLOYEE BENEFIT PLAN**

19 The amounts paid under this Agreement do not represent a modification of any previously
20 credited hours of service under any employee benefit plan, policy, or bonus program sponsored by
21 Defendants. Such amounts will not form the basis for additional contributions to, benefits under,
22 or any other monetary entitlement under, benefit plans (self-insured or not) sponsored by
23 Defendants, policies, or bonus programs. Any payments made under the terms of this Settlement
24 shall not be applied retroactively, currently or on a going forward basis as salary, earnings, wages,
25 or any other form of compensation for the purposes of Defendants' benefit plan, policy, or bonus
26 program. Defendants retains the right to modify the language of its benefit plan, policies and bonus
27 programs to effect this intent and to make clear that any amounts paid pursuant to this Settlement
28 are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as

defined by applicable plans, policies and bonus programs for purpose of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement.

XIV. SETTLEMENT CLASS COUNSEL ATTORNEYS' FEES AND LITIGATION COSTS

Defendants shall not oppose an application by Settlement Class Counsel for an amount up to thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$292,250, if the Gross Settlement Amount is \$835,000) for all past and future attorneys' fees necessary to prosecute, settle, and administer the Actions and this Settlement ("Attorneys' Fees"). Additionally, Defendants shall not oppose an application by Settlement Class Counsel for an amount up to \$35,000 for all past and future litigation costs and expenses necessary to prosecute, settle, and administer the Actions and the Settlement ("Litigation Costs"). Any Attorneys' Fees or Litigation Costs awarded to Settlement Class Counsel by the Court as part of the Settlement shall be deducted from the Gross Settlement Amount for the purpose of determining the Net Settlement Amount. The "future" aspect of these amounts includes, without limitation, all time and expenses expended by Settlement Class Counsel in implementing the Settlement and securing preliminary and final approval (including any appeals therein). There will be no additional consideration paid by Defendants for such work; although such work may cause Settlement Class Counsel's lodestar to increase, Settlement Class Counsel will be limited to the Attorneys' Fees and Litigation Costs provided for under the Settlement. The Attorneys' Fees and Litigation Costs shall include all attorneys' fees, litigation costs, and expenses for which Plaintiffs and Settlement Class Counsel could claim under any legal theory whatsoever with respect to the Actions. Within ten (10) calendar days following the full funding of the Settlement, the Settlement Administrator shall disburse payment to Settlement Class Counsel from the Gross Settlement Amount for the Court-approved Attorneys' Fees and Litigation Costs. Should the Court approve a lesser percentage or amount of Attorneys' Fees and/or Litigation Costs than the amount that Settlement Class Counsel ultimately seeks, then any such unapproved portion or portions shall be part of the Net Settlement Amount to be distributed to Settlement Class Members on a *pro rata* basis.

1 **XV. INCENTIVE AWARDS TO PLAINTIFFS**

2 Defendants shall not oppose an application by Plaintiffs, and Plaintiffs shall not seek or
3 receive an amount in excess of \$7,500.00 to each Plaintiff for their participation in and assistance
4 with the Actions (“Incentive Awards”) in addition to any Individual Settlement Payment and/or
5 Individual PAGA Payment to which they may be entitled under the terms of the Settlement. Any
6 Incentive Awards awarded to Plaintiffs by the Court as part of the Settlement shall be deducted
7 from the Gross Settlement Amount for the purpose of determining the Net Settlement Amount and
8 shall be reported on IRS Form 1099. If the Court approves Incentive Awards of less than \$7,500.00
9 to Plaintiffs, then the unapproved portion or portions shall be part of the Net Settlement Amount to
10 be distributed to Settlement Class Members on a *pro rata* basis.

11 **XVI. TAXATION AND ALLOCATION**

12 **A.** The Parties agree that all employees’ share of employment taxes and other legally
13 required withholdings will be withheld from payments to the Settlement Class Members and
14 Plaintiffs based on the Parties stipulated allocation of the Net Settlement Amount as provided for
15 in this Section.

16 **B.** In Defendants’ sole discretion, and to which Plaintiffs and Settlement Class Counsel
17 do not object, the amount of federal income tax withholding will be based upon a flat withholding
18 rate for supplemental wage payments in accordance with Treas. Reg. § 31.3402(g)-1(a)(2) as
19 amended or supplemented. Income tax withholdings will also be made pursuant to applicable state
20 and/or local withholding codes or regulations.

21 **C.** For withholding tax characterization purposes and payment of taxes, the Individual
22 Settlement Payments to Settlement Class Members shall be deemed twenty-five percent (25%)
23 wages and seventy-five percent (75%) penalties, interest, and non-wage damages.

24 **D.** For withholding tax characterization purposes and payment of taxes, the Individual
25 PAGA Payments to PAGA Group Members shall be deemed one hundred percent (100%) penalties.

26 **E.** Forms W-2 and/or Forms 1099 will be distributed at times and in the manner
27 required by the Internal Revenue Code of 1986 (the “Code”) and consistent with this Agreement,
28 by the Settlement Administrator. If the Code, the regulations promulgated thereunder, or other

1 applicable tax law, is changed after the date of this Agreement, the processes set forth in this Section
2 may be modified in a manner to bring Defendants into compliance with any such changes.

3 F. The employer's share of payroll taxes and contributions on the wages portion of
4 Individual Settlement Payments will be paid by Defendants in addition to and not as a deduction
5 from the Gross Settlement Amount.

6 **XVII. PAGA ALLOCATION**

7 In order to implement the terms of this Settlement and to settle claims alleged under the
8 Private Attorneys General Act, California Labor Code section 2698 *et seq.*, the Parties agree to
9 allocate \$25,000 from the Gross Settlement Amount as penalties authorized by the PAGA ("PAGA
10 Allocation"). Seventy-five percent (75%), which is \$18,750.00 of the PAGA Allocation will be
11 distributed to the Labor and Workforce Development Agency ("LWDA Payment") and twenty-five
12 percent (25%), which is \$6,250.00 of the PAGA Allocation will be distributed on a *pro-rata* basis
13 to the PAGA Group Members ("Employee PAGA Amount"). Plaintiffs' Counsel will provide
14 notice to the LWDA of the fact that the Settlement has been approved by the Court along with a
15 copy of the Final Approval Order through the appropriate LWDA/DIR website. PAGA Group
16 Members will be issued their Individual PAGA Payments regardless of their decision to opt-out of
17 the Class Settlement.

18 **XVIII. COURT APPROVAL**

19 A. This Agreement and the Settlement is contingent upon final approval by the Court
20 and entry of judgment. Plaintiffs shall take all steps as may be reasonably necessary to secure both
21 preliminary approval and final approval of the Settlement, to the extent not inconsistent with the
22 terms of this Agreement. Defendants will not take any action adverse to obtaining approval by the
23 Court of this Agreement. If necessary, Plaintiff may seek appellate approval of the Settlement in
24 all respects.

25 B. In the event that Plaintiff fails to obtain Court approval of the Settlement, the Parties
26 shall be restored to their respective positions in the Actions, as of the date on which the Settlement
27 was reached, except as otherwise provided in Section XIX, below.

28 **XIX. MISCELLANEOUS PROVISIONS**

1 **A. Interim Stay of Litigation.**

2 Plaintiffs and Defendants agree to the stay of all proceedings in the Actions, including with
3 respect to California Code of Civil Procedure section 583.310, except such proceedings necessary
4 to implement and complete the Settlement, pending final approval of the Settlement by the Court.

5 **B. Interpretation of the Agreement.**

6 This Agreement constitutes the entire agreement between Plaintiffs and Defendants. Except
7 as expressly provided herein, this Agreement has not been executed in reliance upon any other
8 written or oral representations or terms, and no such extrinsic oral or written representations or
9 terms shall modify, vary from or contradict its terms. In entering into this Agreement, the Parties
10 agree that this Agreement is to be construed according to its terms and may not be varied or
11 contradicted by extrinsic evidence. The Agreement will be interpreted and enforced under the laws
12 of the State of California, both in its procedural and substantive aspects, without regard to its
13 conflict of laws provisions. Any claim arising out of or relating to the Agreement, or the subject
14 matter hereof, will be resolved solely and exclusively in the Superior Court of the State of California
15 for the County of San Bernardino, and Plaintiffs and Defendants hereby consent to the personal
16 jurisdiction of the Court over them solely in connection therewith. Plaintiffs, on their own behalf,
17 on behalf of the Class, and on behalf of the State of California pursuant to PAGA, and Defendants
18 participated in the negotiation and drafting of this Agreement and had available to them the advice
19 and assistance of independent counsel. As such, neither Plaintiffs nor Defendants may claim that
20 any ambiguity in this Agreement should be construed against the other. The terms and conditions
21 of this Agreement constitute the exclusive and final understanding and expression of all agreements
22 between Plaintiffs and Defendants with respect to the Settlement.

23 **C. Further Cooperation.**

24 Plaintiffs shall proceed diligently to prepare and execute all documents, to seek the
25 necessary approvals from the Court, and to do all things reasonably necessary or convenient to
26 consummate the Agreement as expeditiously as possible.

27 **D. Confidentiality of Documents and Information.**

1 Plaintiffs, the Settlement Administrator, and Settlement Class Counsel shall maintain the
2 confidentiality of all documents and other information obtained in the Actions that were specifically
3 designated as confidential at the time they were produced (formally or informally) in the Actions,
4 unless ordered to be disclosed by the Court or by a subpoena.

5 **E. Counterparts.**

6 The Agreement may be executed in one or more actual or non-original counterparts, either
7 through a physical original, facsimile, electronic, or e-mail signature, all of which will be
8 considered one and the same instrument and all of which will be considered duplicate originals.

9 **F. Authority.**

10 Each individual signing below warrants that he or she has the authority to execute this
11 Agreement on behalf of the Party for whom or which that individual signs.

12 **G. No Third-Party Beneficiaries.**

13 Plaintiffs, Settlement Class Members, PAGA Group Members, the LWDA, Defendants,
14 and Released Parties are intended beneficiaries of this Agreement, and there are no other third-
15 party beneficiaries.

16 **H. Modification.**

17 Before this Agreement has been submitted to the Court in connection with seeking
18 preliminary approval of the Settlement, it may not be changed, altered, or modified, except in a
19 writing signed by the counsel for the Parties. After this Agreement has been submitted to the Court
20 in connection with seeking preliminary approval of the Settlement, it may not be changed, altered,
21 or modified, except in a writing signed by the counsel for the Parties, subject to approval by the
22 Court. Notwithstanding the forgoing, the Parties agree that any dates contained or contemplated in
23 this Agreement may be modified by agreement of counsel for the Parties in writing without
24 approval by the Court if the Parties agree and cause exists for such modification. This Agreement
25 may not be discharged except by performance in accordance with its terms or by a writing signed
26 by the Parties.

27 **I. Deadlines Falling on Weekends or Holidays.**

1 To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or
2 legal holiday, that deadline shall be continued until the following business day.

3 **J. California Law Governs.**

4 All terms of this Settlement Agreement and Exhibits hereto will be governed and interpreted
5 according to the laws of the State of California.

6 **K. Severability.**

7 In the event that any one or more of the provisions contained in this Agreement shall for
8 any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
9 unenforceability shall in no way effect any other provision if Defendants' counsel and Settlement
10 Class Counsel, on behalf of the Parties, the Settlement Class, State of California, and PAGA Group
11 Members, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision
12 had never been included in this Agreement.

13 **L. Binding on Successors and Assigns.**

14 This Settlement Agreement will be binding upon, and inure to the benefit of, the successors
15 or assigns of the Parties hereto, as previously defined.

16 **M. Waiver.**

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

20 **N. Representation by Counsel.**

21 The Parties acknowledge that they have been represented by counsel throughout all
22 negotiations that preceded the execution of this Agreement, and that this Agreement has been
23 executed with the consent and advice of counsel and reviewed in full. Further, Plaintiffs and
24 Settlement Class Counsel warrant and represent that there are no liens on the Agreement.

25 **O. Binding Agreement.**

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

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

IT IS SO AGREED:

Date: 10/08/2024, 2024

Electronically Signed: 2024-10-09 00:05:50 UTC - 45.51.147.83
Winbox AssureSign®
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GILBERT CHAVEZ, *Plaintiff*

Date: _____, 2024

JESSE CHAVEZ, *Plaintiff*

Date: _____, 2024

EVODIO VALLES, *Plaintiff*

Date: _____, 2024

KSC & SON CORPORATION, *Defendant*

Name:

Position:

Date: _____, 2024

CHANDI GROUP. USA INC., *Defendant*

Name:

Position:

Date: _____, 2024

Nachhattar S. Chandi, *Defendant*

APPROVED AS TO FORM:

Date: _____, 2024

LAWYERS *for* JUSTICE, PC

Arby Aiwarzian

Joanna Ghosh

Helene Mayer

Attorneys for Plaintiffs and Proposed Settlement
Class Counsel

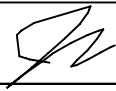
any proceeding to enforce its terms, notwithstanding any settlement confidentiality provisions that otherwise might apply under federal or state law.

IT IS SO AGREED:

Date: _____, 2024

GILBERT CHAVEZ, *Plaintiff*

Date: 10/08/2024, 2024

Electronically Signed  2024-10-08 01:40:41 UTC - 45.51.147.83
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JESSE CHAVEZ, *Plaintiff*

Date: _____, 2024

EVODIO VALLES, *Plaintiff*

Date: _____, 2024

KSC & SON CORPORATION, *Defendant*
Name:
Position:

Date: _____, 2024

CHANDI GROUP. USA INC., *Defendant*
Name:
Position:

Date: _____, 2024

Nachhattar S. Chandi, *Defendant*

APPROVED AS TO FORM:

Date: _____, 2024

LAWYERS *for* JUSTICE, PC

Arby Aiwarzian
Joanna Ghosh
Helene Mayer
Attorneys for Plaintiffs and Proposed Settlement
Class Counsel

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

IT IS SO AGREED:

Date: _____, 2024

GILBERT CHAVEZ, *Plaintiff*

Date: _____, 2024

JESSE CHAVEZ, *Plaintiff*

Date: 08/30/2024, 2024

Electronically Signed: 2024-08-30 20:17:59 UTC - 75.51.247.12

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EVODIO VALLES, *Plaintiff*

Date: _____, 2024

KSC & SON CORPORATION, *Defendant*

Name:

Position:

Date: _____, 2024

CHANDI GROUP. USA INC., *Defendant*

Name:

Position:

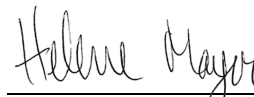
Date: _____, 2024

Nachhattar S. Chandi, *Defendant*

APPROVED AS TO FORM:

Date: October 10, 2024

LAWYERS *for* JUSTICE, PC



Arby Aiwanian

Joanna Ghosh

Helene Mayer

Attorneys for Plaintiffs and Proposed Settlement
Class Counsel

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

3 **IT IS SO AGREED:**

4 Date: _____, 2024

5 GILBERT CHAVEZ, Plaintiff

6
7 Date: _____, 2024

8 JESSE CHAVEZ, Plaintiff

9
10 Date: _____, 2024

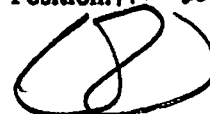
11 EVODIO VALLES, Plaintiff

12
13 Date: October 15, 2024

14 

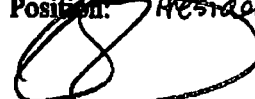
15 KSC & SON CORPORATION, Defendant
Name: Nachhattar Singh Chandi
Position: President

16
17 Date: October 15, 2024

18 

19 CHANDI GROUP, USA INC., Defendant
Name: Nachhattar Singh Chandi
Position: President

20 Date: October 15, 2024

21 

22 Nachhattar S. Chandi, Defendant

23 **APPROVED AS TO FORM:**

24 Date: _____, 2024

25 LAWYERS for JUSTICE, PC

26
27 Arby Aiwazian
Joanna Ghosh
Helene Mayer
28 Attorneys for Plaintiffs and Proposed Settlement
Class Counsel

1 Date: 10/9, 2024

ROBINSON BRADFORD LLP

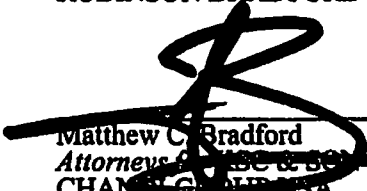
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5 Matthew C. Bradford
6 Attorneys for ABC & DEF CORPORATION and
7 CHANGELIFE USA
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EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Chavez, et al. v. KSC & Son Corporation, et al.
Superior Court of California for the County of San Bernardino, Case No. CIVSB2124237

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendants' records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment and, unless you request to be excluded from the settlement, your legal rights may be affected.

This Class Notice is designed to advise you of your rights and options, and how you can request to be excluded from the settlement, object to the settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class action settlement has been reached between Plaintiffs Gilbert Chavez, Jesse Chavez, and Evodio Valles ("Plaintiffs") and Defendants KSC & Son Corporation, Chandi Group, USA Inc., and Nachhattar S. Chandi ("Defendants") (Plaintiffs and Defendants are collectively referred to as the "Parties") in the case entitled *Chavez, et al. v. KSC & Son Corporation, et al.*, San Bernardino County Superior Court, Case No. CIVSB2124237 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" means all individuals who were employed by Defendant KSC & Son Corporation and/or Chandi Group, USA Inc. in non-exempt positions within the State of California at any time during the Class Period.

"Class Member" means a member of the Class.

"Class Period" means the time period from August 20, 2017 through April 30, 2024.

"Class Settlement" means the settlement and release of Released Class Claims (described in Section III.D below).

"PAGA Members" means all individuals who were employed by Defendant KSC & Son Corporation and/or Chandi Group, USA Inc. in non-exempt positions within the State of California at any time during the PAGA Period.

"PAGA Settlement" means the settlement and release of Released PAGA Claims (described in Section III.D below).

"PAGA Period" means the time period from July 14, 2020 through April 30, 2024.

II. BACKGROUND OF THE ACTION

On July 14, 2021, Plaintiff Jesse Chavez provided written notice to the Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the California Labor Code that he contends were violated ("Jesse Chavez LWDA Letter"). On July 16, 2021, Plaintiff Gilbert Chavez provided written notice to the LWDA and Defendants of the specific provisions of the California Labor Code that he contends were violated ("Gilbert Chavez LWDA Letter"). On August 20, 2021, Plaintiffs Jesse Chavez and Gilbert Chavez filed a Class Action Complaint for Damages in the San Bernardino County Superior Court, Case No. CIVSB2124237. On September 22, 2021, Plaintiffs Jesse Chavez and Gilbert Chavez filed Case No. CIVSB2126976 for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *et seq.* ("PAGA Action"). The Parties agreed to consolidate the Complaint combining the Class Action and PAGA Action and added Evodio Valles as a named plaintiff and putative class representative. Plaintiffs allege that Defendants failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide complaint wage statements, keep requisite payroll records, reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business & Professions Code section 17200, *et seq.*, and

conduct that gives rise to penalties under California Labor Code section 2698, *et seq.* (“PAGA”). Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs.

Defendants deny all of the allegations in the Actions or that they violated any law.

After investigation and analysis of the claims, the Parties engaged in good faith, arms-length negotiations, and as a result, the Parties reached a settlement. The Parties have since entered into the Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed ILYM Group, Inc. as the administrator of the Settlement (“Settlement Administrator”), Plaintiffs Gilbert Chavez, Jesse Chavez, and Evodio Valles as representatives of the Class (“Class Representatives”), and the following counsel as counsel for the Class (“Settlement Class Counsel”):

Arby Aiwarzian, Esq.
Joanna Ghosh, Esq.
Helene Mayer, Esq.
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020 / Fax: (818) 265-1021

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Member, you do not need to take any action to receive an Individual PAGA Payment.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that the claims in the Actions have merit or that Defendants have any liability to Plaintiffs, Class Members, or PAGA Members. Plaintiffs and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members and PAGA Members. The Court has made no ruling on the merits of the claims asserted in the Actions and has determined only that certification of the Class for settlement purposes is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Eight Hundred and Thirty-Five Thousand Dollars (\$835,000.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount, less the following payments which are subject to approval by the Court: (1) attorneys’ fees in an amount not to exceed 35% of the Gross Settlement Amount (i.e., \$292,250.00) (“Attorneys’ Fees”) and reimbursement of litigation costs and expenses, in an amount not to exceed Thirty-Five Thousand Dollars (\$35,000.00) (“Litigation Costs”) to Class Counsel; (2) enhancement payment in an amount not to exceed Seven Thousand Five Hundred Dollars (\$7,500.00) each to Plaintiffs (\$22,500.00 total) for their services in the Actions (“Incentive Awards”); (3) Administration Fees in an amount not to exceed Sixteen Thousand Dollars (\$16,000.00) to the Settlement Administrator; and (4) the amount of Twenty-Five Thousand Dollars (\$25,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Penalties”). The PAGA Penalties will be distributed 75% (\$18,750.00) to the LWDA (“LWDA Payment”) and the remaining 25% (i.e., \$6,250.00) will be distributed to PAGA Members (“Employee PAGA Amount”).

Class Members are entitled to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Payment”) based on the number of weeks during the Class Period a Class Member worked at least one hour for Defendants (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by

the total number of Workweeks of all Class Members (“Class Workweek Point Value”) and multiplied each Class Member’s individual Workweeks by the Class Workweek Point Value to arrive at his or her Individual Settlement Payment that he or she may be eligible to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Opt-Out (“Settlement Class Members”) will be issued their payment of their final Individual Settlement Payment.

Each Individual Settlement Payment will be allocated as twenty-five percent (25%) wages, which will be reported on an IRS Form W-2, and seventy-five percent (75%) penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099. Each Individual Settlement Payment shall be subject to reduction for the employee’s share of payroll taxes due on the wages portion of Individual Settlement Payment. The employer’s share of payroll taxes and contributions in connection with the wages portion of the Individual Settlement Payments will be paid by Defendants separately and in addition to the Gross Settlement Amount.

PAGA Members are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the Employee PAGA Amount (“Individual PAGA Payment”), based on the number of Workweeks of each PAGA Member during the PAGA Period (“PAGA Workweeks”). The Settlement Administrator has divided the Employee PAGA Amount by the total number of PAGA Workweeks of all PAGA Members (“PAGA Workweek Point Value”) and multiplied each PAGA Member’s individual PAGA Workweeks by the PAGA Workweek Point Value to arrive at his or her Individual PAGA Payment that he or she may be eligible to receive under the PAGA Settlement (which is listed in Section III.C below).

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, which will be reported on an IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Members at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure your receipt of payment that you may be entitled to under the Settlement.**

B. Your Workweeks Based on Defendants’ Records

According to Defendant’s records:

From August 20, 2017 through April 30, 2024 (i.e., Class Period), you are credited as having worked [REDACTED] Workweeks.

From July 14, 2020 through April 30, 2024 (i.e., PAGA Period), you are credited as having worked [REDACTED] Workweeks.

If you wish to dispute the Workweeks credited to you, you must submit a written dispute (“Workweeks Dispute”) that: (a) contains the case name and number of the Action (*Chavez, et al. v. KSC & Son Corporation, et al.*, CIVSB2124237); (b) contains your full name, address, telephone number, signature, and last four digits of your Social Security number; (c) contains a statement setting forth the number of Workweeks during the Class Period and/or PAGA Period that you contend is correct and attach any relevant documentation in support thereof; and (d) is submitted to the Settlement Administrator by mail at the specified address listed in Section IV.B below, postmarked **no later than [Response Deadline]**.

C. Your Estimated Individual Settlement Payment and Individual PAGA Payment

As explained above, your estimated Individual Settlement Payment and/or Individual PAGA Payment is based on the number of Workweeks credited to you.

Under the terms of the Settlement, your Individual Settlement Payment is estimated to be \$[REDACTED]. The Individual Settlement Payment is subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Payment.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$[REDACTED].

The settlement approval process may take multiple months. Your Individual Settlement Payment and/or Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and/or

Individual PAGA Payment (if applicable) may be higher or lower. Payments will be distributed only after the Court grants final approval of the Settlement, and after the Settlement goes into effect.

D. Released Claims

Upon the Effective Date, Plaintiffs and all Settlement Class Members waive, release, and discharge Released Parties of any and all Released Class Claims.

Upon the Effective Date, Plaintiffs, the State of California, and PAGA Members, waive, release and discharge Released Parties of any and all Released PAGA Claims.

“Released Class Claims” means any and all causes of action, claims, costs, damages, penalties, attorneys’ fees and factual or legal theories that were alleged in the operative complaint in the Action, or reasonably could have been alleged based on the facts and legal theories contained in the operative complaint in the Action, arising during the Class Period, including the but not limited to: (1) alleged failure to pay overtime wages pursuant to California Labor Code sections 510, 1194, 1197, and 1198 and the IWC Wage Orders; (2) alleged failure to provide meal periods pursuant to California Labor Code sections 226.7 and 512 and the IWC Wage Orders; (3) alleged failure to provide rest periods pursuant to California Labor Code sections 226.7 and 512 and the IWC Wage Orders; (4) alleged failure to pay all minimum wages owed pursuant to California Labor Code sections 1194, 1197, and 1197.1 and the IWC Wage Orders; (5) alleged failure to pay all wages owed at termination pursuant to California Labor Code sections 201 and 202 and the IWC Wage Orders; (6) alleged failure to pay all wages in a timely manner during employment pursuant to California Labor Code section 204 and the IWC Wage Orders; (7) alleged failure to furnish accurate itemized wages statements pursuant to California Labor Code section 226 and the IWC Wage Orders; (8) alleged failure to maintain adequate payroll records pursuant to California Labor Code section 1174 and IWC Wage Orders; (9) alleged failure to reimburse all necessary business expenses pursuant to California Labor Code sections 2800 and 2802 and the IWC Wage Orders; and (10) alleged violations of California Business & Professions Code sections 17200, *et seq.*

“Released PAGA Claims” means claims for civil penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.*, arising during the PAGA Period, based on the factual allegations and legal theories in the LWDA Letters and operative complaint in the Action, for alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and Industrial Welfare Commission Wage Orders, including inter alia, Wage Orders 4-2001, 5-2001, 7-2001, and 9-2001 and costs, and attorney’s fees.

“Released Parties” means Defendants and each of their current and former parents, owners, subsidiaries, divisions, and affiliated or related persons or entities, and each of their respective officers, directors, employees, partners, shareholders, attorneys, agents, executors, and assigns.

E. Attorneys’ Fees and Litigation Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount of up to thirty-five percent (35%) of the Gross Settlement Amount (i.e., an amount of up to \$292,250.00) (“Attorneys’ Fees”) and reimbursement of litigation costs and expenses in an amount of up to Thirty-Five Thousand Dollars (\$35,000.00) (“Litigation Costs”), subject to approval by the Court. The Attorneys’ Fees and Litigation Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Actions on behalf of Plaintiff and Class Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Incentive Awards to Plaintiffs

Plaintiff will seek the amount of Seven Thousand Five Hundred Dollars (\$7,500.00) each to Plaintiffs (“Incentive Awards”), in recognition of their services in connection with the Action. The Incentive Awards will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiffs in addition to their Individual Settlement Payment and Individual PAGA Payment (if applicable) that they are entitled to under the Settlement.

G. Administration Fees to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Sixteen Thousand Dollars (\$16,000.00) (“Administration Fees”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Opt-Outs, objections, and Workweeks Disputes, calculating Individual Settlement Payments and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will be deemed to have released the Released Class Claims described in Section III.D above.

If you are a PAGA Member, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims described in Section III.D above.

Class Members and PAGA Members will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless they retain their own counsel, in which event they will be responsible for your own attorney’s fees and expenses.

B. Opt Out of the Class Settlement

If you do not wish to participate in the Class Settlement, you must seek exclusion from the Class Settlement by submitting a written request (“Opt-Out”), which must: (1) contain the case name and number of the Action (*Chavez, et al. v. KSC & Son Corporation, et al.*, CIVSB2124237) (2) contain your full name, address, telephone number, and last four digits of your Social Security number; (3) be signed by you or your authorized representative; (4); contain a clear statement that you request to be excluded from the Class Settlement; and (5) be sent to the Settlement Administrator, postmarked by **no later than [Response Deadline]** at the following address:

[Settlement Administrator]
[Address]

If the Court grants final approval of the Settlement, any Class Member who does submit a timely and validly Opt-Out will not be entitled to receive an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit an Opt-Out will be deemed Settlement Class Members and will be bound by all terms of the Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. All PAGA Members will be bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, regardless of whether they submit an Opt-Out.

C. Object to the Class Settlement

You can object to the terms of the Class Settlement as long as you have not submitted an Opt-Out, by submitting a written objection to the Settlement Administrator or presenting your objection at the Final Approval Hearing.

An objection must: (1) contain the case name and number of the Action (*Chavez, et al. v. KSC & Son Corporation, et al.*, CIVSB2124237); (2) contain your full name, address, telephone number, signature, and last four digits of your Social Security number; (3) clearly state the grounds for your objection; (4) state whether you intend to appear at the Final Approval Hearing; and (5) be mailed to the Settlement Administrator at the address listed in Section IV.B above, postmarked **no later than [Response Deadline]**.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department S26 of the San Bernardino County Superior Court, located at San Bernardino Justice Center, 247 West Third Street, San Bernardino, California 92415, on [date], at [time], to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Attorneys' Fees and Litigation Costs to Class Counsel, Incentive Awards to Plaintiffs, and Administration Fees to the Settlement Administrator.

The hearing may be continued without further notice to the Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

Please visit the Court's website for the most up-to-date information regarding the impact of COVID-19 on the operations of the Court and any requirements that may apply for accessing Court facilities: <https://www.sb-court.org/>.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and documents filed in the Action for a fee by visiting the civil clerk's office, located at 247 West Third Street, San Bernardino, California 92415, during business hours, or by online by visiting the following website: <https://www.sb-court.org/divisions/civil-general-information/court-case-information-and-document-sales>, clicking "Accept (Civil/Appeals), clicking "Click here to access the Portal," clicking "Smart Search," and typing in the Court Case Number "CIVSB2124237."

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.