

CLASS ACTION SETTLEMENT AGREEMENT

This Class Action Settlement Agreement (“Agreement”) is made by and between plaintiff Cassandra Tapia (“Plaintiff”) and Defendants Rivo Holdings, LLC (“Defendants”). Plaintiff and Defendants collectively are referred to in this Agreement as the “Parties.”

I. DEFINITIONS

In addition to other terms defined in this Agreement, the terms below have the following meaning in this Agreement:

- A. “Action” means the PAGA Representative Action Complaint that was filed in California state court and any amendments thereto, including, specifically, the First Amended Complaint filed on June 10, 2022 adding class action claims which is captioned *Cassandra Tapia v. Rivo Holdings, LLC*, Case No. 37-2021-00046361-CU-OE-CTL, pending in Superior Court of the State of California, County of San Diego.
- B. “Aggrieved Employees” means Plaintiff and all other non-exempt individuals who are or were employed by Defendants, including as a Funding Specialist, or in a similar position, in the state of California, and who worked one or more shifts during the PAGA Period and were subject to stay at home orders due to the office being closed due to COVID-19. Defendant represents that there are approximately 59 Aggrieved Employees.
- C. “Class” means Plaintiff and all other California residents who are or were employed by Defendants, including as Funding Specialists, or in a similar position, who worked at least one shift in California during the Class Period. Defendant represents that the Class consists of approximately 244 individuals.
- D. “Class Counsel” means Craig J. Ackermann of Ackermann & Tilajef, P.C., and Amir Seyedfarshi of Employment Rights Group, APC.
- E. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts to be paid to Class Counsel for fees and expenses, respectively, as approved by the Court, to compensate Class Counsel for their legal work in connection with the Action, including their pre-filing investigation, their filing of the Action, all related litigation activities, all Settlement work, all post-Settlement compliance procedures, and related litigation expenses billed in connection with the Action.
- F. “Class Data” means, for each Class Member, his or her name; last-known mailing address; Social Security number; his or her employee identification number; his or her email address (if known); and his or her dates of employment and/or weeks worked during the Class Period as a Class Member; pay periods worked during the PAGA Period; and workweeks during the Class Period whereby the Class Member previously released his or her claims.

- G. "Class Member" is a member of the Class.
- H. "Class Notice" means the Notice of Proposed Settlement of Class Action and Hearing Date for Final Court Approval substantively in the form attached hereto as Exhibit A to this Agreement and incorporated by reference into this Agreement.
- I. "Class Notice Packet" means the Class Notice to be provided to the Class Members by the Settlement Administrator in the form set forth as Exhibit A to this Agreement (other than formatting changes to facilitate printing by the Settlement Administrator).
- J. "Class Period" means the period of time from March 15, 2020 through June 1, 2022.
- K. "Class Representative Service Payment" means the service payment made to Plaintiff in her capacity as Class Representative in order to compensate her for initiating the Action, performing work in support of the Action, undertaking the risk of liability for Defendants' expenses in the event Plaintiff were unsuccessful in the prosecution of the Action, and for the general release of all claims by the Plaintiff.
- L. "Court" means the Superior Court of California, County of San Diego.
- M. "Defendants" means Rivo Holdings, LLC.
- N. "Defendants' Counsel" means Paul F. Sorrentino and/or Samantha S. McPherson of Jackson Lewis P.C.
- O. "Effective Date" means the date by which all of the following have occurred:
1. This Agreement is approved by the Court; and
 2. The Judgment becomes Final as defined in Section Q below in this Agreement.
- P. "Election Not to Participate in Settlement" means the written request by a Class Member to exclude himself or herself from the Settlement submitted in accordance with the instructions in the Class Notice.
- Q. "Final" means the last of the following dates, as applicable:
1. If no objection to the Settlement is made, sixty (60) days after the date the Judgment is entered.

2. If an objection to the Settlement is made and Judgment is entered, but no appeal is filed, the last date on which a notice of appeal from the Judgment may be filed and none is filed.
 3. If Judgment is entered and a timely appeal from the Judgment is filed, the date the Judgment is affirmed and is no longer subject to appeal.
- R. “Final Approval Hearing” means the hearing to be conducted by the Court to determine whether to approve finally and implement the terms of this Agreement and enter the Judgment.
- S. “Gross Settlement Amount” means One Hundred Thousand Dollars (\$100,000) to be paid by Defendants as provided by this Agreement. This Gross Settlement Amount is an all-in amount without any reversion to Defendants and shall be inclusive of all payments of Settlement Shares to the Participating Class Members, Settlement Administration Expenses, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, and the PAGA Payment, and excluding any employer payroll taxes, if any, due on the portion of the Settlement Shares allocated to wages which shall not be paid from the Gross Settlement and shall be the separate additional obligation of Defendants. The Gross Settlement Amount is all in with no reversion to Defendants and shall be paid without the need to submit a claim form.
- T. “Judgment” means the Final Approval Order and Judgment entered by the Court.
- U. “Net Settlement Amount” means the Gross Settlement Amount less the Court-approved amounts for the Class Representative Service Payments, the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the PAGA Payment, and the Settlement Administration Expenses.
- V. “Non-Participating Class Member” means a Class Member who submits a valid and timely Election Not to Participate in Settlement.
- W. “PAGA Period” means the period of time from March 15, 2020 through June 1, 2022.
- X. “Participating Class Member” means a Class Member who does not submit a valid and timely Election Not to Participate in Settlement.
- Y. “Preliminary Approval of the Settlement” means the Court’s Order Granting Preliminary Approval of the Settlement substantially in the form attached hereto as Exhibit B to this Agreement and incorporated by this reference herein.
- Z. “Released Parties” collectively mean: Defendants, Rivo Holdings, LLC, and the shareholders/owners of Rivo Holdings, LLC, and each of their respective parent companies, subsidiaries, affiliates, joint ventures, predecessors, successors, and

related parties and all of their past and present directors, officers, shareholders, members, managers, joint employers, co-employers, integrated enterprises, representatives, employees, and anyone else acting for any of them.

- AA. “Settlement” means the disposition of the Action and all related claims effectuated by this Agreement.
- BB. “Settlement Administrator” means the third party settlement administrator proposed by the Parties, as approved by the Court.
- CC. “Settlement Share” means each Participating Class Member’s share of the Net Settlement Amount as provided by this Agreement.

II. RECITALS

- A. On November 1, 2021, Plaintiff filed a Complaint against Defendants in the Superior Court of the State of California, County of San Diego. Plaintiff asserted claims that Defendants violated the Private Attorney General Act (“PAGA”) for failure to reimburse employee’s expenses in violation of California Labor Code § 2802
- B. On June 10, 2022, Plaintiff filed an Amended Complaint against Defendants for class action claims, adding the following claims that Defendants:
 - 1. Failed to reimburse employees’ expenses in violation of California Labor Code § 2802;
 - 2. Recovery of civil penalties pursuant to the Private Attorney General Act (“PAGA”) for all Labor Code violations;
 - 3. Failed to timely pay wages in violation of California Labor Code §§ 204, 210;
 - 4. Failed to pay minimum wages in violation of California Labor Code §§ 1194, 1197 & 1197.1, and 1198;
 - 5. Failed to pay overtime wages in violation of California Labor Code § 510 *et seq.*;
 - 6. Failed to provide required meal periods and meal period premiums, and failed to pay meal period premiums at the appropriate rate, in violation of California Labor Code §§ 226.7 & 512 *et seq.* and the applicable IWC Wage Order;
 - 7. Failed to provide required rest periods and rest period premiums, and failed to pay rest period premiums at the appropriate rate, in violation of

California Labor Code §§ 226.7 & 512 *et seq.* and the applicable IWC Wage Orders;

8. Failed to provide accurate and fully compliant itemized wage statements in violation of California Labor Code § 226;
 9. Failed to provide wages when due in violation of California Labor Code §§ 201, 202 and 203; and,
 10. Violated California Business and Professions Code § 17200 *et seq.*
- C. On April 5, 2022, the Parties participated in an all-day mediation presided over by mediator Stephen H. McAvoy, a respected mediator of wage and hour representative and class actions. Following the mediation, each side, represented by its respective counsel, were able to agree to settle the Action which was memorialized in the form of a Memorandum of Understanding. This Agreement replaces and supersedes the Memorandum of Understanding and any other agreements, understandings, or representations between the Parties.
- D. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendants that the claims in the Action of Plaintiff or the Class have merit or that Defendants bear any liability to Plaintiff or the Class on those claims or any other claims, or as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree to certification of the Class for purposes of this Settlement only. If for any reason the Settlement does not become effective, Defendants reserve the right to contest certification of any class for any reason and reserves all available defenses to the claims in the Action.

Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

III. SETTLEMENT TERMS AND CONDITIONS

- A. **Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the Gross Settlement Amount that Defendants will pay under this Settlement is One Hundred Thousand Dollars (\$100,000.00). This amount is all-inclusive of all payments contemplated in this resolution, excluding any employer-side payroll taxes on the portion of the Settlement Shares allocated to wages which shall be separately paid by Defendants to the Settlement Administrator. All of the Gross Settlement Amount will be disbursed pursuant to this Agreement without the need to submit a claim form and none of the Gross Settlement Amount will revert to Defendants.
- B. **Payments from the Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will make the following payments out of the Gross Settlement Amount:

1. **To Plaintiff:** In addition to the Settlement Shares to be paid to Plaintiff, Plaintiff will apply to the Court for an award of not more than \$5,000.00 as Class Representative Service Payment. Defendants will not oppose a Class Representative Service Payment of no more than \$5,000.00 for each of the Plaintiff. The Settlement Administrator will pay the Class Representative Service Payment approved by the Court out of the Gross Settlement Amount. If the Court approves a Class Representative Service Payment of less than \$5,000.00, for the Plaintiff, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members. Payroll tax withholding and deductions will not be taken from the Class Representative Service Payment and instead a Form 1099 will be issued to each of the Plaintiff with respect to the payment who will assume full responsibility and liability for the taxes due on the Class Representative Service Payment.
2. **To Class Counsel:** Class Counsel will apply to the Court for an award of not more than One-Third of the Gross Settlement Amount, which is presently \$33,333.33, as their Class Counsel Fees Payment and an amount not more than \$7,000.00 for all expenses incurred as documented in Class Counsel's billing records as their Class Counsel Litigation Expenses Payment. Defendants will not oppose their request for a Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment consistent with this Agreement and approved by the Court. The Settlement Administrator will pay the amounts approved by the Court out of the Gross Settlement Amount. If the Court approves a Class Counsel Fees Payment or a Class Counsel Litigation Expenses Payment of less than these amounts, which are presently \$33,333.33, and \$7,000.00 respectively, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members. Payroll tax withholding and deductions, if any, will not be taken from the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment and instead one or more Forms 1099 will be issued to Class Counsel with respect to those payments. The payment of the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment shall be made to Class Counsel.
3. **The PAGA Payment.** The Parties will seek approval from the Court for the PAGA Payment of \$4,000.00 out of the Gross Settlement Amount, which shall be allocated 75% (\$3,000.00) to the LWDA as the LWDA's share of the settlement of civil penalties paid under this Agreement pursuant to the PAGA and 25% (\$1,000.00) will be distributed to the Aggrieved Employees based on their respective pay periods worked during the PAGA Period. If the Court approves a PAGA Payment of less than \$4,000.00, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members. All Aggrieved Employees will be sent their share of the PAGA Payment and will be subject to the release of the Released PAGA Claims as set forth below,

whether or not they opt out of the Settlement. One hundred percent (100%) of the PAGA Payment is in settlement of claims for penalties and not be subject to wage withholdings, and shall be reported on IRS Form 1099.

4. **To the Settlement Administrator.** The Settlement Administrator will pay out of the Gross Settlement Amount to itself its reasonable fees and expenses that are documented and approved by the Court in an amount not to exceed \$5,500.00 ("Settlement Administration Expenses"). To the extent the Settlement Administration Expenses that are documented and approved by the Court are less than \$5,500.00, the remainder will be retained in the Net Settlement Amount for distribution to Participating Class Members.

C. **Payments From the Net Settlement Amount.** The Net Settlement Amount shall include the following payments after the deductions have been made from the Gross Settlement Amount as described in this Agreement. The Net Settlement Amount shall include the following:

1. **Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay a Settlement Share from the Net Settlement Amount to each Participating Class Member. The submission of a claim form is not required to be paid.
2. **Calculation.** Each Participating Class Member will be entitled, provisionally, to a share or shares of the Net Settlement Amount. The Settlement Share for each Participating Class Member will be calculated as follows: (i) Defendants shall provide the Settlement Administrator with the names for all Participating Class Members during the Class Period, consisting of the list of 59 Class Members who were subject to or believed they were subject to stay at home instructions from March 15, 2020 through August 5, 2020, and the entire list of 244 Class Members; (ii) the Settlement Administrator shall then first distribute \$50.00 to each of the 59 Class Members on the first list, and then the balance distributed equally to all of the participating Class Members including the 59 Class Members paid in the first distribution; (iii) should the total amount of Class Members during the Class Period exceed fifteen percent (15%) of the 244 Class Members, then each such additional Class Member shall receive a distribution in accordance with Section C.5, below.
3. **Withholding.**
 - a. Subject to approval by the Court, fifteen percent (15%) of each Participating Class Member's Settlement Share is in settlement of wage claims (the "Wage Portion"). Accordingly, the Wage Portion is subject to wage withholdings, and shall be reported on

IRS Form W-2 and shall be paid for from the Gross Settlement Amount. The Settlement Administrator shall be responsible for remitting to the tax authorities employees' and employer's share of all payroll taxes on the Wage Portion.

b. Subject to approval by the Court, eighty-five percent (85%) of each Participating Class Member's Settlement Share is in settlement of claims for penalties and interest, including waiting time penalties and PAGA penalties and interest, allegedly due to employees (collectively the "Non-Wage Portion"). The Non-Wage Portion shall not be subject to wage withholdings, and shall be reported on IRS Form 1099.

c. The Participating Class Members agree to hold harmless Defendants, Class Counsel, and Defendants' Counsel for any tax liability, including penalties and interest, arising out of or relating to the Participating Class Members' failure to pay taxes on any amounts paid pursuant to this Settlement.

4. **Effect of Non-Participating Class Members.** Non-Participating Class Members will receive no Settlement Share (except for his or her portion of the PAGA Payment), and their Election Not to Participate in Settlement will reduce neither the Gross Settlement Amount nor the Net Settlement Amount. Their respective Settlement Shares will remain a part of the Net Settlement Amount for distribution to Participating Class Members on a *pro rata* basis relative to their Settlement Shares.

5. **Class Size Modification.** Defendants have represented that the class consists of an estimated total of 244 Class Members who worked during the Class Period as of April 5, 2022. This Agreement shall apply to all Class Members through June 1, 2022; in the event that the total number of Class Members worked in the Class Period is fifteen percent (15%) more than 244 Class Members, then the gross Settlement Amount shall be increased proportionately for each additional Class Member by \$50.00 specifically to be paid to each such Class Member.

D. **Appointment of Settlement Administrator.** After obtaining a quote from mutually acceptable and qualified settlement administrators, the Parties have mutually agreed to ask the Court to appoint Atticus Administration as the qualified administrator, to serve as the Settlement Administrator, which, as a condition of appointment, will agree to be bound by this Agreement with respect to the performance of its duties and its compensation. The Settlement Administrator's duties will include preparing, printing, and mailing the Class Notice Packet to all Class Members; conducting a National Change of Address search to update Class Member addresses before mailing the Class Notice Packets; re-mailing Class Notice Packets that are returned to the Class Member's

new address; setting up a toll-free telephone number to receive calls from Class Members; receiving and reviewing for validity completed Elections Not to Participate in Settlement; providing the Parties with weekly status reports about the delivery of Class Notice Packets and receipt of completed Elections Not to Participate in Settlement; calculating Settlement Shares; issuing the checks to effectuate the payments due under the Settlement; issuing the tax reports required under this Settlement; and otherwise administering the Settlement pursuant to this Agreement. The Settlement Administrator will have the authority to resolve all disputes concerning the calculation of a Participating Class Member's Settlement Share, subject to the dollar limitations and calculations set forth in this Agreement. The Settlement Administration Expenses, including the cost of printing and mailing the Class Notice Packet, will be paid out of the Gross Settlement Amount.

The Settlement Administrator shall have its own Employer Identification Number under Internal Revenue Service Form W-9 and shall use its own Employer Identification Number in calculating payroll withholdings for taxes and shall transmit the required employers' and employees' share of the withholdings to the appropriate state and federal tax authorities. The Settlement Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

E. Procedure for Approving Settlement.

1. Motion for Preliminary Approval of Settlement by the Court.

- a. Within sixty (60) days of Execution of this Settlement Agreement, Plaintiff will file a Preliminary Approval Motion with the Court for an order giving Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Class Notice (the "Motion for Preliminary Approval"). Any disagreement among the Parties concerning the Class Notice, the proposed orders, or other documents necessary to implement the Settlement will be referred to the mediator for resolution.
- b. At the hearing on the Motion for Preliminary Approval, the Parties will jointly appear, support the granting of the motion, and submit an Order Granting Preliminary Approval of the Settlement substantially in the form evidenced by Exhibit B to this Agreement and incorporated by reference into this Agreement.
- c. Should the Court decline to preliminarily approve material aspects of the Settlement (including but not limited to the scope of release to be granted by Participating Class Members or the binding effect of the Settlement on Participating Class Members), the Parties shall work together in good faith to address any concerns raised by

the Court and propose a revised Settlement for the Court's approval.

2. **Notice to Class Members.** After the Court enters an Order Granting Preliminary Approval of the Settlement, every Class Member will be sent the Class Notice Packet (which will include the Class Notice completed to reflect the Order Granting Preliminary Approval of the Settlement and showing the Class Member's Settlement Share) as follows:
 - a. No later than twenty-one (21) days after the Court enters an Order Granting Preliminary Approval of the Settlement, Defendants will provide to the Settlement Administrator an electronic database containing each Class Member's Class Data. If any or all of the Class Data is unavailable to Defendants, Defendants will so inform Class Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon the Class Data prior to when it must be submitted to the Settlement Administrator. This information will otherwise remain confidential and will not be disclosed to anyone, except as required to applicable taxing authorities, in order to carry out the reasonable efforts described in section III.E.2.c., or pursuant to Defendants' express written authorization or by order of the Court. All Class Data will be used for settlement notification and settlement administration and shall not be used for any other purpose by Class Counsel. This provision shall not be construed to impede Class Counsel's ability to discharge their fiduciary duties to the Class, and if additional disclosures are necessary, Class Counsel will obtain written authorization of Defendants and/or an order from the Court.
 - b. The Settlement Administrator shall update the Class Data using the National Change of Address database prior to mailing the Class Notice Packets. Using best efforts to mail it as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Settlement Administrator will mail the Class Notice Packets to all Class Members via first-class regular U.S. Mail using the mailing address information provided by Defendants, unless modified by any updated address information that the Settlement Administrator obtains in the course of administration of the Settlement.
 - c. If a Class Notice Packet is returned because of an incorrect address, the Settlement Administrator will promptly, and not longer than fourteen (14) days from receipt of the returned packet, search for a more current address for the Class Member and re-mail the Class Notice Packet to the Class Member. The Settlement Administrator will use the Class Data and otherwise work with

Defendants to find a more current address. The Settlement Administrator will be responsible for taking reasonable steps, consistent with its agreed-upon job parameters, Court orders, and fee, as agreed to with Class Counsel and according to the following deadlines, to trace the mailing address of any Class Member for whom a Class Notice Packet is returned by the U.S. Postal Service as undeliverable. These reasonable steps shall include, at a minimum, the tracking of all undelivered mail; performing address searches for all mail returned without a forwarding address using available email addresses, phone numbers, social security numbers, credit reports, LinkedIn, and Facebook; and promptly re-mailing to Class Members for whom new addresses are found. If the Class Notice Packet is re-mailed, the response date for written objections, disputes and opt-outs will be extended an additional 15 days, and the Settlement Administrator will note for its own records and notify Class Counsel and Defendants' Counsel of the date and address of each such re-mailing as part of a weekly status report provided to the Parties.

- d. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendants' Counsel of the number of Elections Not to Participate in Settlement it receives (including the numbers of valid and deficient), and number of objections received.
 - e. Not later than ten (10) days before the date by which the Plaintiff file the motion for final approval of the Settlement, the Settlement Administrator will provide the Parties for filing with the Court a declaration of due diligence setting forth its compliance with its obligations under this Agreement and detailing the Elections Not to Participate in Settlement it received (including the numbers of valid and deficient Elections) and objections received. Prior to the Final Approval Hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.
3. **Objections to Settlement; Disputes as to Dates of Employment allocated to Class Members; Elections Not to Participate in Settlement.** Participating Class Members may submit objections to the Settlement and/or objections to the Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment. Class Members may also submit disputes and Elections Not to Participate in Settlement pursuant to the following procedures:

- a. **Objections to Settlement.** The Class Notice will provide that only Participating Class Members who wish to object to the

Settlement, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or the Class Representative Service Payments may object to the proposed Settlement, either in writing or orally at the Final Approval Hearing. Objections in writing must be submitted to the Settlement Administrator, postmarked not later than forty-five (45) calendar days after the Settlement Administrator mails the Class Notice Packets. Written objections must set forth the grounds for the objection(s) and comply with the instructions in the Class Notice. If a Class Notice Packet is re-mailed, the response date for written objections will be extended an additional fifteen (15) days. Alternatively, Class Members shall be entitled to be heard at the Final Approval Hearing (whether individually or through separate counsel and whether or not they submit a written objection pursuant to this section) to orally object to the Settlement, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or the Class Representative Service Payments. Non-Participating Class Members shall have no ability to comment on or object to the Settlement.

- b. **Disputes.** Each Class Member shall also have forty-five (45) calendar days after the Settlement Administrator mails the Class Notice Packets in which to dispute his or her Settlement Share. Any notice of dispute shall be directed to the Settlement Administrator. Any dispute as to this allocation shall be resolved by the Settlement Administrator, with input and assistance from Defendants' Counsel, where applicable. If a Class Notice Packet is re-mailed, the response date for disputes will be extended an additional fifteen (15) days.
- c. **Election Not to Participate in Settlement.** The Class Notice also will provide that Class Members who wish to exclude themselves from the Settlement must mail to the Settlement Administrator postmarked not later than forty-five (45) calendar days after the Settlement Administrator mails the Class Notice Packets, a signed Election Not to Participate in Settlement. If a Class Notice Packet is re-mailed, the response date for opt-outs will be extended an additional fifteen (15) days. To be valid, an Election Not to Participate in Settlement must be timely and must comply with the instructions in the Class Notice. If a question is raised about the authenticity of a signed Election Not to Participate in Settlement, the Settlement Administrator will have the right to demand additional proof of the Class Member's identity. A Non-Participating Class Member will not participate in or be bound by the Settlement and the Judgment, except that an Aggrieved Employee will still be paid their allocation of the PAGA Payment and will remain bound by the release of the Released PAGA

Claims regardless of their request for exclusion. Defendants will remain free to contest any claim brought by any Class Member that would have been barred by this Agreement, and nothing in this Agreement will constitute or be construed as a waiver of any defense Defendants have or could assert against such a claim. A Class Member who does not complete and mail a timely Election Not to Participate in Settlement in the manner and by the deadline specified above and in the Class Notice will automatically become a Participating Class Member and will be bound by all terms and conditions of the Settlement, including the Released Class Claims by the Class, if the Settlement is approved by the Court, and by the Judgment, regardless of whether he or she has objected to the Settlement. Persons who submit an Election Not to Participate in Settlement shall not be permitted to file objections to the Settlement or appear at the Final Approval Hearing to voice any objections to the Settlement.

All Participating Class Members who do not submit a valid and timely Election Not to Participate in Settlement will receive a Settlement Share, without the need to file a claim form, and will be bound by all of the terms of the Settlement, including without limitation, the release of the Released Class Claims by the Participating Class Members set forth in this Agreement.

- d. **Report.** Not later than ten (10) calendar days after the deadline for submission of Elections Not to Participate in Settlement, the Settlement Administration will provide Class Counsel and Defendants' Counsel with a complete and accurate list of all Participating Class Members and all Non-Participating Class Members.

- 4. **Right of Defendants to Reject Settlement.** If the number of Class Members who timely submit valid Elections Not to Participate in Settlement is five percent (5%) or more of the Class, Defendants, at its sole discretion, shall have the right but not the obligation to revoke the Settlement. Defendants shall exercise its revocation rights, if at all, within fifteen (15) days of the deadline for submission of Elections Not to Participate in Settlement by providing written notice to Class Counsel. If Defendants exercises its revocation rights, the Parties will have no further obligations under the Settlement, including any obligation by Defendants to pay the Gross Settlement Amount, or any amounts that otherwise would have been owed under this Agreement, except that Settlement Administration Expenses as of the date that Defendants exercise the right to void the Settlement pursuant to this Paragraph will be paid by Defendants.

5. **No Solicitation.** The Parties and their respective counsel represent that neither the Parties nor their respective counsel have or will solicit or any Class Member to object to the Settlement, appeal from the Judgment, or elect not to participate in the Settlement.
6. **Additional Briefing and Final Approval.**
 - a. Unless otherwise ordered by the Court, Class Counsel will file with the Court their motion for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payments no later than the date Plaintiff file the Motion for Final Approval, and the application will be scheduled to be heard by the Court at the Final Approval Hearing.
 - b. Not later than sixteen (16) court days before the Final Approval Hearing, the Plaintiff will file with the Court a motion for final approval of the Settlement, the PAGA Payment, and payment of the Settlement Administration Expenses.
 - c. If any opposition is filed to the motion for final approval and/or the motion for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payments, and the PAGA Payment, then not later than five (5) court days before the Final Approval Hearing, both Parties may file a reply in support of the motion for final approval, and Plaintiff and Class Counsel may also file a reply in support of their motion for the Class Representative Service Payment, the Class Counsel Fees Payments, and the Class Counsel Litigation Expenses Payment.
 - d. If the Court does not grant final approval of the Settlement or grants final approval conditioned on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Participating Class Members), then the Parties shall work together in good faith to address any concerns raised by the Court and propose a revised Settlement for the Court's approval. However, an award by the Court of a lesser amount than that sought by Plaintiff and Class Counsel for the PAGA Payment, Class Representative Service Payments, the Class Counsel Fees Payment, or the Class Counsel Litigation Expenses Payment, will not constitute a material modification to the Settlement within the meaning of this paragraph.
 - e. Upon final approval of the Settlement by the Court at or after the Final Approval Hearing, the Parties will present for the Court's approval and entry the Judgment substantially in the form attached

hereto as Exhibit C. After entry of the Judgment, the Court will have continuing jurisdiction over the Action and the Settlement solely for purposes of (i) enforcing this Agreement, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as may be appropriate under court rules or applicable law.

7. **Waiver of Right to Appeal.** Provided that the Judgment is consistent with the terms and conditions of this Agreement, Plaintiff and Participating Class Members who did not timely submit an objection to the Settlement, Defendants, and their respective counsel hereby waive any and all rights to appeal from the Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as, but not limited to, a motion to vacate judgment, a motion for new trial, and any extraordinary writ. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings or post-judgment proceedings. If an appeal is taken from the Judgment, the time for consummation of the Settlement (including making payments under the Settlement) will be suspended until such time as the appeal is finally resolved and the Judgment becomes Final.
8. **Vacating, Reversal, or Material Modification of Judgment on Appeal or Review.** If, after a notice of appeal, a petition for review, or a petition for *certiorari*, or any other motion, petition, or application, the reviewing Court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement (including, but not limited to, the scope of release to be granted by Participating Class Members), and that Court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher Court, then the Parties shall work together in good faith to address any concerns raised by the reviewing Court and propose a revised Settlement for the approval of the Court not later than fourteen days after the reviewing Court's decision vacating, reversing, or materially modifying the Judgment becomes Final. A vacation, reversal, or modification of the Court's award of the Class Representative Service Payments or the Class Counsel Fees Payment or Class Counsel Litigation Expenses Payment will not constitute a vacation, reversal, or material modification of the Judgment within the meaning of this paragraph, provided that Defendants' obligation to make payments under this Settlement will remain limited by the Gross Settlement Amount.
9. **Timing of Settlement Funding and Provision of Settlement Shares and Other Payments.** Defendants shall fund the Gross Settlement Amount by depositing the money with the Settlement Administrator. Defendants shall fund the Gross Settlement Amount and the amount necessary to pay Defendants' share of payroll taxes within twenty-five (25) days of the Effective Date. Within fifteen (15) days after Defendants fund the Gross

Settlement Amount, the Settlement Administrator will make payment of all Settlement Shares to Participating Class Members, as well as payment of Settlement Administration Expenses, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Class Representative Service Payments and the PAGA Payment in accordance with this Agreement.

10. **Uncashed Settlement Share Checks.** A Participating Class Member or Aggrieved Employee must cash his or her Settlement Share check within one hundred and eighty (180) days after it is mailed to him or her. If a check is returned to the Settlement Administrator or not cashed within one hundred and twenty (120) days after the last mailing, the Settlement Administrator will make all reasonable efforts to re-mail it to the affected individual at his or her correct address by use of available email addresses, phone numbers, social security numbers, credit reports, LinkedIn and Facebook. If the check remains uncashed by the expiration of the 180 days period, the funds from such uncashed checks will be paid as follows:
 - a. One hundred percent (100%) to Free to Thrive, a nonprofit organization helping survivors of human trafficking by providing restorative justice by expunging their criminal records to enable them to become gainfully employed and rejoin the community.
 - b. The Parties and/or Counsel for the Parties do not have any interests or involvement within the governance or work of Free to Thrive and pursuant to subdivision (k) of Rule 3.769 of the California Rules of Court, the Parties and their attorneys represent that they have no connection or relationship with any of these non-party recipients of these distributions that could reasonably create an appearance of impropriety between the recipients and the interest of the Class as set forth in CCP section 382.4.

The Participating Class Member or Aggrieved Employee whose check remains uncashed and whose funds are paid as set forth above pursuant to paragraphs III.E.10(a)-(c) will remain bound by the Settlement. The Parties agree that this disposition results in no "unpaid residue" within the meaning of California Code of Civil Procedure Section 384, as the entire Net Settlement Amount will be paid out to Participating Class Members or Aggrieved Employees, whether or not they all cash their Settlement Share checks.

11. **Final Report by Settlement Administrator to Court.** Within ten (10) days after final disbursement of all funds from the Gross Settlement Amount, the Settlement Administrator will provide the Parties with a declaration proving a final report on the disbursements of all funds from the Gross Settlement Amount.

F. **Release of Claims.**

1. **Participating Class Members.** As of the Effective Date, the Released Parties shall receive a release from the Participating Class Members of all class claims pled in the original, amended, and operative complaints, including claims for Unfair Competition, Failure to Pay Minimum Wages, Failure to Pay Overtime Wages, Failure to Provide Meal Periods, including failure to pay meal period premiums at the proper rate of pay, including Labor Code sections 226-226.6. Failure to Provide Rest Periods, including failure to pay rest period premiums at the proper rate of pay, including Labor Code sections 226-226.6. Failure to Provide Accurate and Fully Compliant Wage Statements, Failure to Provide Wages When Due, and Failure to Reimburse Expenses; claims for violations and penalties based on each and all of the statutes listed in III.F.3, below; claims for injunctive relief that could have been pled; punitive damages that could have been pled; liquidated damages that could have been pled; interest; attorneys' fees and costs (except those provided for herein); and any wage and hour claims, penalties, and violations that could have been pled in the operative complaint or any amendments thereto which occurred during the Class Period, and expressly excluding claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and class claims outside of the Class Period. ("Released Class Claims").
2. **Aggrieved Employees.** As of the Effective Date, Defendants shall receive a release from the State of California of all PAGA claims, penalties, and violations pled or that could have been pled in the original, amended, and operative complaints or any amendments thereto and PAGA letters sent by any of the Plaintiff that occurred during the PAGA Period as to the Aggrieved Employees; PAGA claims for violations of each and all of the statutes listed in III.F.3 below, and any and all claims based on or arising from the Labor Code sections and claims referenced in Section III.F.1. above ("Released PAGA Claims"); expressly excludes claims outside of the PAGA Period. The release of the Released PAGA Claims shall be effective as to all Aggrieved Employees, regardless of whether an Aggrieved Employee submitted a request for an exclusion from the Class.
3. **Plaintiff.** As of the Effective Date, Plaintiff generally releases and discharges the Released Parties from all claims and/or causes of action and/or violations occurring during the Class Period under any federal, state or local law or administrative order that were or could have been plead in the operative class action and PAGA complaint and amendments, PAGA notice letters and amendments, and administrative claims, whether known or unknown, including the failure to pay wages, the failure to pay overtime compensation, the failure to provide meal periods, the failure to provide rest periods, the failure to properly calculate the reasonable rate of

compensation, the failure to maintain or provide accurate itemized statements, the failure to maintain records, the failure to reimburse expenses, and any other claims whatsoever that were or could have been alleged in this case, including claims for restitution and other equitable relief under Business and Professions Code section 17200, conversion, liquidated damages, punitive damages, waiting-time penalties, penalties under the Labor Code Private Attorneys General Act of 2004, and wage and hour claims, violations, and/or penalties of any nature whatsoever that could have been pled in the operative class action and PAGA complaint under California Business and Professions Code sections 17200, *et seq.*, 17203; Labor Code sections 200, 201, 202, 203, 204, 206.5, 210, 218.5, 226-226.6, 226.7, 351-356, 510, *et seq.*, 512, 515, 558, 1194, 1197, 1197.1, 1198, 2802, and 2698, *et seq.*; Code of Civil Procedure sections 382, 474, 1021.5; IWC Wage Orders Nos. 5, 7, 13, and 14; Fair Labor Standards Act, 29 U.S.C. sections 201, *et seq.* (“Plaintiff” Released Claims”). This release expressly excludes claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, and class claims outside of the Class Period and PAGA claims outside of the PAGA period.

4. **Plaintiff’ Waiver of Rights Under California Civil Code Section 1542.** As partial consideration for the Class Representative Service Payments, the Plaintiff’ Released Claims shall include all such claims, whether known or unknown by the releasing party. Thus, even if Plaintiff discover facts and/or claims in addition to or different from those that they now know or believe to be true with respect to the subject matter of the Plaintiff’ Released Claims, those claims will remain released and forever barred. Therefore, with respect to Plaintiff’ Released Claims, Plaintiff expressly waive and relinquish the provisions, rights and benefits of section 1542 of the California Civil Code, which reads:

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

5. **Class Counsel.** As of the Effective Date, and except as otherwise provided by this Agreement and the Judgment, Class Counsel and any counsel associated with Class Counsel waive any claim to costs and attorneys’ fees and expenses against Defendants arising from or related to the Action.

- G. **No Effect on Other Benefits.** The Settlement Shares will not result in any additional benefit payments (such as 401(k), bonus, paid time off) beyond those provided by this Agreement to Plaintiff or Participating Class Members, and

Plaintiff and Participating Class Members will be deemed to have waived all such claims, whether known or unknown by them, as part of their release of claims under this Agreement.

- H. **Limitation on Public Statements About Settlement.** The named Parties and their attorneys will keep the settlement confidential through Preliminary Approval of the Settlement, other than filing documents with the Court. Thereafter, the named Parties and their attorneys agree to make no comments to the media or otherwise publicize or post the terms of the settlement, other than notices to the class. If Plaintiff or Class Counsel or Defendants or Defendants' Counsel receives an inquiry about the Settlement from the media, they may respond only after the Motion for Preliminary Approval has been filed and only by confirming the accurate terms of the Settlement. This provision shall not prohibit Class Counsel from communicating with Class Members after preliminary approval is granted for the sole purpose of administering the Settlement. This provision also does not limit Class Counsel from complying with ethical obligations or from posting court-filed documents on their website for viewing by Class Members after preliminary approval. Nothing in this provision shall prevent Defendants or Plaintiff from making any required disclosures.

I. **Miscellaneous Terms.**

1. **Amendment of Operative Complaint.** Plaintiff shall amend the operative complaint to add the class action claims referenced hereinabove before or at the time of the filing of the Motion for Preliminary Approval of Class Action and PAGA settlement.
2. **No Admission of Liability or Class Certification for Other Purposes.**
 - a. Defendants and the Released Parties deny that they have engaged in any unlawful activity, have failed to comply with the law in any respect, have any liability to anyone under the claims asserted in the Action, or that but for the Settlement a class should be certified in the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission of liability or wrongdoing by Defendants or the Released Parties, or an admission by Plaintiff that any of the claims were non-meritorious or any defense asserted by Defendants was meritorious. This Settlement and the fact that Plaintiff and Defendants were willing to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with effectuating the Settlement pursuant to this Agreement). Nothing in this Agreement shall be constructed as an admission by Defendants of any liability or wrongdoing as to Plaintiff, Class Members, or any other person,

and Defendants specifically disclaim any such liability or wrongdoing. Moreover, it is not, and it should not be construed as, any admission of fact or law in this matter or any other matter that a class action is appropriate. The Parties have entered into this settlement with the intention of avoiding further disputes and litigation with the attendant inconvenience, expenses and risks. Nothing in this Agreement shall be construed as an admission by Plaintiff that Plaintiff's claims do not have merit or that class action is inappropriate.

- b. Whether or not the Judgment becomes Final, neither the Settlement, this Agreement, any document, statement, proceeding or conduct related to the Settlement or the Agreement, nor any reports or accounting of those matters, will be (i) construed as, offered or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Plaintiff or Defendants or any of the Released Parties, including, but not limited to, evidence of a presumption, concession, indication or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession or damage; or (ii) disclosed, referred to or offered in evidence against any of the Released Parties, in any further proceeding in the Action, or any other civil, criminal or administrative action or proceeding except for purposes of effectuating the Settlement pursuant to this Agreement.
 - c. This section and all other provisions of this Agreement notwithstanding, any and all provisions of this Agreement may only be admitted in evidence and otherwise used in any and all proceedings for the limited purpose of enforcing any or all terms of this Agreement or defending any claims released or barred by this Agreement.
3. **Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any Party concerning this Agreement or its exhibits other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.
4. **Attorney Authorization.** Class Counsel and Defendants' Counsel warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement including any amendments to this Agreement. The Parties and

their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the mediator for resolution.

5. **No Prior Assignments:** The Parties represent, covenant and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged in this Settlement.
6. **No Tax Advice:** Neither Class Counsel nor Defendants' Counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
7. **Modification of Agreement.** Except as set forth in section III.E.1.c., and E.6.d., hereinabove in this Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives.
8. **Agreement Binding on Successors.** This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
9. **Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California.
10. **Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
11. **Fair Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.
12. **Use and Return of Documents and Data.** All originals, copies, and summaries of documents and data provided to Class Counsel by Defendants in connection with the mediation or other settlement negotiations in this matter may be used only with respect to this

Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule. Within thirty days after the Judgment becomes Final, Class Counsel will return or destroy and confirm in writing to Defendants the destruction of all such documents and data.

13. **Headings.** The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
14. **Notice.** All notices, demands or other communications given under this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, addressed as follows:

To Plaintiff and the Class:

Craig J. Ackermann, Esq.
ACKERMANN & TILAJEF, P.C.
1180 South Beverly Drive, Suite 610
Los Angeles, CA 90035
Telephone: (310) 277-0614
Facsimile: (310) 277-0634
E-mail: cja@askermanntilajef.com

Amir Seyedfarshi, Esq.
EMPLOYMENT RIGHTS LAW GROUP, APC
1180 South Beverly Drive, Suite 610
Los Angeles, CA 90035
Telephone: (424) 777-0964
Email: amir@employmentrightslawgroup.com

To Defendants:

Paul F. Sorrentino
Samantha S. McPherson
Jackson Lewis P.C.
225 Broadway, Suite 2000
San Diego, CA 92101
Telephone: (619) 573-4900
Facsimile: (619) 573-4901
E-Mail: paul.sorrentino@jacksonlewis.com
Samantha.mcpherson@jacksonlewis.com

15. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts by facsimile, electronically or email which for purposes

of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

16. **Continuing Jurisdiction.** The Court shall retain continuing jurisdiction over the Action under CCP section 664.6 to ensure the continuing implementation of this Agreement and enforcement of the Settlement until performance in full of the terms of this Settlement.

IV. EXECUTION BY PARTIES AND COUNSEL

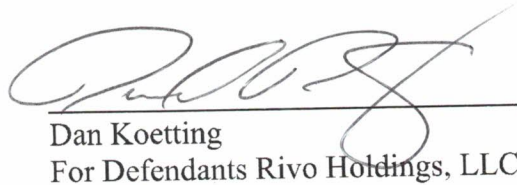
The Parties and their counsel hereby execute this Agreement.

Dated: 07 / 01 / 2022



Plaintiff Cassandra Tapia

Dated: 7/27/2022



Dan Koetting
For Defendants Rivo Holdings, LLC

Dated: 07 / 01 / 2022



Craig J. Ackermann
Ackermann & Tilajef, P.C.
Amir Seyedfarshi
Employment Rights Law Group, APC
Attorneys for Plaintiff

Dated: 7/28/22



Paul F. Sorrentino
Samantha S. McPherson
Jackson Lewis P.C.
Attorneys for Defendants

EXHIBIT A

[NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION AND HEARING DATE FOR
FINAL COURT APPROVAL]

EXHIBIT B

[ORDER GRANTING PRELIMINARY APPROVAL OF THE SETTLEMENT]

4862-8219-6772, v. 3

TITLE	TAPIA 2022-06-07 - Rivo - Class Settlement Agreement...
FILE NAME	TAPIA%202022-06-0...ement%20FINAL.pdf
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AUDIT TRAIL DATE FORMAT	MM / DD / YYYY
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SENT

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Sent for signature to Cassandra Tapia (cassandratapia22@gmail.com) and Jaclyn Blackwell (jb@ackermanntilajef.com) from amir@employmentrightslawgroup.com
IP: 76.167.87.96



VIEWED

07 / 01 / 2022

19:57:45 UTC

Viewed by Cassandra Tapia (cassandratapia22@gmail.com)
IP: 172.56.81.24



VIEWED

07 / 01 / 2022

19:58:02 UTC

Viewed by Jaclyn Blackwell (jb@ackermanntilajef.com)
IP: 76.167.87.96



SIGNED

07 / 01 / 2022

19:58:16 UTC

Signed by Jaclyn Blackwell (jb@ackermanntilajef.com)
IP: 76.167.87.96



SIGNED

07 / 01 / 2022

19:59:33 UTC

Signed by Cassandra Tapia (cassandratapia22@gmail.com)
IP: 172.56.81.24

07 / 01 / 2022

19:59:33 UTC

The document has been completed.

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