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David W. Slayton,
Executive Officer/Clerk of Court,
By S. Drew, Deputy Clerk

Attorneys for Plaintiffs ALEJANDRO VALENZUELA, and ANGELEIGH MANJARREZ, individually
and on behalf of the putative class

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

ALEX FURTADO, an Individual, on behalf of
himself and all others similarly situated,

Plaintiff,

vs.

BAMIA 2, LLC, a California limited liability
company; REEF GLOBAL, INC., a Florida
Corporation; REEF TECHNOLOGY, INC., a
corporate form unknown; and DOES 1-100,
Inclusive,

Defendants.

CASE NO.: 21STCV37585

*[Assigned for all purposes to the Honorable Elihu
M. Berle, Department 006]*

**DECLARATION OF DANNY YADIDSION IN
SUPPORT OF MOTION FOR AN ORDER (1)
PRELIMINARILY APPROVING THE CLASS
ACTION SETTLEMENT; (2) APPROVING
NOTICE OF CLASS ACTION SETTLEMENT;
AND (3) SETTING HEARING FOR FINAL
APPROVAL**

Date: TBD
Time: TBD
Dept.: 6

*[Filed concurrently with the Notice of Motion and
Motion for Preliminary Approval of Settlement;
Declaration of Kyle Nordrehaug; Declaration of
Mehrdad Bokhour; Declaration of Alejandro
Valenzuela; Declaration of Angeleigh Manjarrez;
Declaration of Paris Johnson; Declaration of Lisa
Mullins of Third-Party Administrator, ILYM Group,
Inc.; Joint Stipulation of Class Settlement; Class
Notice; and [Proposed] Order]*

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1 certification of a nationwide class of over 1,000 employees and approved my request to be appointed as
2 class counsel. (*Keith Ernst, et al. v. ZogSports Holdings LLC, et al.*, Case No. 2:18-cv-09043-RGK-MRW
3 (C.D. Cal. February 21, 2019). Judge Klausner subsequently granted preliminary and final approval of
4 the Parties' settlement. In a separate action, on July 14, 2020, the Court granted class certification and
5 approved my request to represent a class of exempt employees whom Plaintiff alleges were misclassified.
6 (*Archer v. Jack Nadel Inc.*, Los Angeles County Superior Court, Case No. 18STCV07761). In addition,
7 I have been appointed as class counsel for purposes of settlement in other class actions including *Troy*
8 *Richard Whitmark, et al. v. Altman Specialty Plants, Inc.* (San Diego County Superior Court, Case No.
9 37-2018-00055889-CU-OE-NC), *Antonio Llamas v. Mapfre Insurance & Subsidiaries, et al.* (Alameda
10 County Superior Court, Case No. RG 18931346), *Joyce Patton, et al. v. All-City Management Services,*
11 *Inc.* (Los Angeles County Superior Court, Case No. BC723958), *Rafael Becerra, Jr. v. Superior Home*
12 *Design, Inc.* (Los Angeles County Superior Court, Case No. 19STCV17368), and *Marie Barraza, et al. v.*
13 *MOGA Transport, Inc.* (Kern County Superior Court, Case No. BCV-20-103017).

14 4. Throughout my legal career, I have exclusively practiced employment law with a specific
15 focus on litigating wage and hour class actions. Prior to becoming a partner of Labor Law PC, I
16 exclusively practiced employment law for over nine years at defense firms. From approximately
17 December 2011 to September 2018, I exclusively practiced employment law and defended numerous
18 class actions at Jackson Lewis PC in Los Angeles. From June 2009 to December 2011, I exclusively
19 practiced employment law and defended numerous class actions at Lewis Brisbois Bisgaard & Smith
20 LLP in Los Angeles. I graduated from UCLA School of Law in May 2008. During law school, I also
21 learned about litigating wage and hour class actions while I worked at an employment litigation boutique
22 firm (Gleason & Favarote LLP). I have been responsible for numerous wage and hour class actions
23 throughout the State of California, in both state and federal courts. Throughout my legal career, I have
24 been responsible for all facets of class actions from the initial investigation of the allegations through
25 successful resolution. By way of example, shortly prior to leaving Jackson Lewis PC, I successfully
26 prevailed on a motion for class certification on behalf of my clients in a case heavily litigated for over
27 7.5 years and successfully moved to dismiss a complaint in federal court based on the federal enclave
28 doctrine. (*See Compton v. American Management Services*, Los Angeles County Superior Court, Case

No. BC 448343; *Issac Tafoya v. AECOM, Inc. et al.*, Case No. 2:18-cv-04113-GW-PLA (C.D. Cal. June 15, 2018.)

5. My extensive experience in litigating employment wage and hour matters has been integral in identifying legal issues, evaluating the strengths and weaknesses of a case, and generally negotiating fair and reasonable class action settlements. Practice in the narrow field of wage and hour litigation requires skill and knowledge concerning the constantly evolving substantive law (at the state and federal level), as well as the procedural law of class action litigation. In this action, I am fully equipped to use the skills and knowledge I have developed through prosecuting and defending wage and hour class actions to fairly and adequately represent the interests of the Class. Therefore, on the account of my resources, experience, and knowledge, I am well qualified to act as class counsel and represent the Plaintiff and the putative class members in this action.

6. For purposes of this motion, the proposed Class consists all persons who are employed or have been employed in the State of California as an hourly, non-exempt employee by Defendant at any time during the Class Period, as defined by the Joint Stipulation.

7. I do not believe that I have any conflicts of interest with the Class or the Class Representative. I am not related to the Class Representatives. Other than the Class Representatives, I am unaware of any other member of the class, and I do not believe I have any conflict with any class members. I have not previously represented Defendant in any matter. I am also not aware of any potential conflict between me, Defendant, Defendant's counsel, or anyone else. I attest that the Parties reached a settlement after extensive, arm's length settlement negotiations.

8. I attest that under paragraphs 3, 4, 5 and 7, *supra*, I have the requisite adequacy to act as Class Counsel and have an absence of conflict. I respectfully submit that I and Labor Law PC are well suited to act as Class Counsel in this action, and we have and will continue to vigorously represent the interests of the Class.

PROCEDURAL HISTORY

9. On October 13, 2021, Plaintiff Alex Furtado filed a complaint in Los Angeles Superior Court alleges causes of action against Defendants for violations of PAGA, *Alex Furtado v. REEF Global, Inc., Bamia 2, LLC, and Reef Technology, Inc.*, Case No. 21STCV37585 (the "Furtado Action"). On

October 28, 2021, Furtado filed a class action complaint in Los Angeles Superior Court against Defendants for employment law-related claims arising from the same core nucleus of operative facts as the earlier filed PAGA action, *Alex Furtado v. Reef Global Inc. and Bamia 2, LLC*, Case No. 21STCV39813. On February 4, 2022, Plaintiff Paris Johnson filed a substantially similar class action complaint in Sacramento County Superior Court, *Paris Johnson v. Bamia 2, LLC, Reef Global, Inc. and REEF Technologies, Inc.* (the “Johnson Action”). On March 25, 2022, Plaintiffs Alejandro Valenzuela and Angeleigh Manjarrez filed a substantially similar class action complaint in San Francisco Superior Court, *Alejandro Valenzuela and Angeleigh Manjarrez v. Bamia 2, LLC* (the “Valenzuela and Manjarrez Action”). On March 25, 2022, Plaintiffs Alejandro Valenzuela and Angeleigh Manjarrez filed a representative action in San Francisco County Superior Court against Defendants for civil fines under PAGA arising from the same core nucleus of operative facts as the earlier filed actions, *Alejandro Valenzuela and Angeleigh Manjarrez v. Bamia 2, LLC*, Case No. CGC-22-598896. Defendants later removed the Johnson Action and the Valenzuela and Manjarrez Action to federal court.

10. On November 15, 2022, after conducting substantial informal discovery, the Parties attended a full-day mediation before an experienced and well-regarded mediator, John Adler, Esq. Shortly thereafter, the Parties reached an agreement in principle to settle the Actions and seek approval of the settlement in the first-filed Furtado Action. Tragically, prior to filing the motion for preliminary approval of settlement, Plaintiff Furtado died suddenly and unexpectedly. After conferring about the best path forward, the Parties mutually agreed to seek Court approval to substitute Plaintiffs Johnson, Manjarrez, and Valenzuela as named plaintiffs in the first-filed Furtado Action and to file an omnibus First Amended Class and Representative Action Complaint (“FAC”) alleging all facts and claims brought in the various actions. This Court granted that request on June 2, 2023, and Plaintiffs filed the FAC on June 8, 2023.

11. The FAC alleges claims for: (1) failure to provide required meal periods; (2) failure to provide required rest periods; (3) failure to pay overtime wages; (4) failure to pay minimum wages; (5) failure to timely pay wages during employment; (6) failure to pay all wages due to discharged and quitting employees; (7) failure to maintain required records; (8) failure to furnish accurate, itemized wage statements; (9) failure to indemnify employees for necessary expenditures incurred in the discharge of duties; (10) unfair and unlawful business practices; and (11) civil penalties under the Private Attorneys

General Act (PAGA).

INVESTIGATION AND DISCOVERY

12. Before filing this lawsuit, Class Counsel investigated and researched the facts and circumstances underlying the pertinent issues and the law applicable thereto. This required thorough discussions and interviews between Class Counsel and Plaintiff, as well as preliminary research into various legal issues involved in the case. After conducting the thorough initial investigation, Class Counsel determined that Plaintiff's claims were well-suited for class action adjudication owing to what appeared to be a common course of conduct affecting a similarly situated group of employees.

13. After filing the lawsuit, Class Counsel conducted a thorough investigation of the facts and claims giving rise to the action, including: (1) conducting informal discovery, preparing written discovery and meeting and conferring with defense counsel about the same; (2) reviewing and analyzing time and pay records as well as employment handbooks, Plaintiffs' personnel file and related documents, relevant company policies and other documentation; (3) researching the applicable law and potential defenses; (4) constructing damage models based on interpretations of California law; and (5) reviewing information provided by Defendant in the mediation. Class Counsel also reviewed confidential financial information provided by Defendant to evidence its financial condition. The Class enumerated in this action is ascertainable because the Class Members may be readily identified by reference to Defendant's records. Defendant has agreed to share the information from these records with the Settlement Administrator to identify and contact the Class Members. This investigation revealed ultimately that there are approximately 925 class members.

14. Plaintiffs engaged Defendant to seek relevant records and documents through informal discovery mechanisms. In response, Defendant produced documents and data, including Plaintiffs' personnel files and related records, Defendant's employee handbook, Defendant's company policies and procedures relating to its employment practices, and allegedly enforceable arbitration agreements. Plaintiffs' counsel also prepared the deposition notice of Defendant's person most knowledgeable, before the Parties agreed to postpone depositions until after mediation. The parties also interviewed putative class members in furtherance of their investigation.

15. Defendant, for its part, vigorously contests liability, the amount of claimed damages, and the propriety of class certification. After Class Counsel analyzed the relevant documents and other gathered data, Class Counsel identified numerous issues with respect to Defendant's records and policies which he communicated to defense counsel. While Defendant disputed those issues, the parties subsequently agreed to mediation. Given the high level of risk present for both sides, the parties elected to mediate Plaintiffs' claims and explore the possibility of settlement.

16. Through substantial informal and written discovery, Defendant provided Plaintiffs' counsel with all relevant policy documents and time and pay data of the relative class size of approximately 925 employees.

17. After Plaintiffs and Defendant conducted significant discovery in this action, the Parties agreed to participate in mediation. To prepare for mediation, Defendant informally produced additional information to Plaintiffs to evaluate the class claims, including a spreadsheet containing information regarding the periods of employment, hourly rate of pay and number of weeks worked for each putative class member. Class Counsel thoroughly reviewed, investigated, and analyzed this information. Counsel for the Parties also investigated the law as applied to the discovered facts regarding the alleged claims of Plaintiffs and the Class, potential defenses thereto, as well as the potential damages claimed by Plaintiffs and the Class. Defendant posited numerous defenses to Plaintiffs' class-based claims, including contentions that penalties for the alleged violations were not available because its actions were not "willful" within the meaning of the applicable statutes. This informal discovery process occurred over a period of several months and involved significant meet and confer efforts between counsel for the parties.

MEDIATION

18. On November 15, 2022, the Parties attended a full-day mediation before an experienced and well-regarded mediator, John Adler, Esq. In preparation for mediation, Plaintiffs hired an expert to calculate Defendant's potential liability to Class Members. Plaintiffs' damages model assumed that Plaintiffs: (1) prevailed in certifying the putative class and (2) prevailed in establishing liability on the merits. During mediation, the Parties discussed all aspects of the case, including the risks of litigation and the risks to both parties of proceeding with a motion for class certification, as well as the law relating to failure to pay wages, meal and rest break matters, minimum and overtime wages, wage statements, timely

1 payment of wages during employment, payment of all wages due to discharged and quitting employees,
2 and the law relating to unfair and unlawful business practices. The mediation concluded that day without
3 a settlement being reached. While the mediation ended without a settlement, negotiations continued
4 thereafter and the mediator continued to be engaged. The Parties reached a Settlement in January 2022.

5 19. From Class Counsel's review of the facts, strengths and weaknesses of the case, the risks
6 and delays posed by further litigation, and Class Counsel's own prior employment and class action
7 litigation experience, Class Counsel believes that the recovery for each class member is fair and reasonable
8 taking into consideration the amounts received in other wages and hour actions, the risks inherent in
9 litigation of this genre, and the reasonable tailoring of each class member's claim to the settlement award
10 he or she will receive. The information provided to Plaintiffs' expert sufficient data of time records to
11 compile its damage analysis and guide Class Counsel's assessment of the strength of the claims and
12 violations. Based on the settlement negotiations, which were extensive and conducted in good faith and
13 at arm's length between attorneys with substantial experience litigating class actions and wage and hour
14 cases, the Joint Stipulation was the product of a non-collusive settlement process in which the parties were
15 forced to make significant and meaningful compromises in the interest of reaching a full and complete
16 settlement of the lawsuit.

17 **SUMMARY OF SETTLEMENT**

18 20. The parties have executed the Joint Stipulation attached hereto and incorporated herein as
19 **Exhibit 1.** Defendant has agreed to pay \$1,400,000.00 (the "Maximum Settlement Fund") to settle and
20 release all claims asserted by Plaintiffs in the operative complaint on behalf of the proposed class.

21 21. The Settlement Class is comprised of: all hourly, non-exempt employees of Defendant
22 employed by Defendant in the State of California at any time during the Class Period who do not submit
23 a timely, valid, and complete Request for Exclusion.

24 22. Defendant shall provide the Maximum Settlement Fund to the Settlement Administrator to
25 fund the Settlement to be paid after the Court grants final approval of the Class Action. The Settlement
26 Administrator shall complete the distribution of the Maximum Settlement Fund to the Settlement Class
27 Members, the Named Plaintiffs, Class Counsel, and the Settlement Administrator.

23. The amount remaining in the Maximum Settlement Fund after the following deductions have been made (called the “Net Settlement Amount”) shall be available for distribution to Class Members who do not opt out:

- Up to one-third (1/3) of the Maximum Settlement Fund to Class Counsel for attorneys’ fees (\$466,200.00) and reasonable litigation costs and expenses (capped at \$13,000.00);
- Up to \$10,000.00 to each of the Class Representatives for their services to the class;
- Settlement administration costs, not to exceed \$15,750.00; and
- PAGA Penalties in the amount of \$30,000.00, of which \$22,500.00 is payable to the California Labor and Workforce Development Agency (“LWDA”) as its 75% share of the settlement of civil penalties for PAGA claims.

Plaintiffs’ damages consultant also conducted a separate analysis of qualifying workweeks for the purpose of calculating *pro rata* shares of the PAGA Payment that includes the work weeks of persons who opt-out. There are an estimated 848 PAGA Class Members, with 8,035 pay periods in the PAGA Class Period.

24. After the deductions above have been made, the Net Settlement Amount shall be divided among and distributed to individual Settlement Class Members who do not opt out, calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member’s Workweeks.

25. Each PAGA Class Member shall receive a portion of the PAGA Payment proportionate to the number of Individual Workweeks that he or she worked during the PAGA Period. Each PAGA Class Member who was employed by Defendant during the PAGA Period will be issued a check for their share of the PAGA Payment regardless of whether they opt-out of the Settlement and regardless of whether they are currently employed by Defendant as of the Settlement’s Effective Date.

26. For tax purposes, Individual Settlement Payments shall be reasonably allocated and treated as 20% wages subject to W-2 withholding, and 80% penalties and interest. For tax purposes, the entirety of the Section 203 Settlement Amount shall be allocated to penalties and characterized as 1099 income, and the entirety of the PAGA Payment shall be allocated to penalties and characterized as 1099 income. The Settlement Administrator is responsible for handling the tax documents.

1 27. Individual Settlement Payments shall be mailed by regular First Class U.S. Mail to
2 Settlement Class Members' last known mailing address no later than seven (7) calendar days after the
3 Effective Date.

4 28. Any checks issued to Settlement Class Members shall remain valid and negotiable for one
5 hundred and twenty (180) days from the date of their issuance and shall state so on the face of the check.
6 If the check remains uncashed after 180 days, the check will be void and a stop-payment will be issued,
7 and the Settlement Administrator shall issue the unclaimed funds to the California State Controller's
8 Office in the name of the Class Member, unless the Court directs the Parties to issue the unpaid residue to
9 some other fund.

10 29. The Parties have agreed to a Class Representative Service Payment to Plaintiffs of up to
11 Ten Thousand Dollars (\$10,000.00) each. The Class Representative Service Payment shall be in addition
12 to the Plaintiffs' Individual Settlement Payment as a Settlement Class Member. In the event that the Court
13 reduces or does not approve the requested Class Representative Service Payment, Plaintiffs shall not have
14 the right to revoke the Settlement, and it will remain binding.

15 30. Class Counsel estimates and caps costs at \$13,000.00. Thus far, Class Counsel has incurred
16 the following costs: filing and service fees (\$2,845.25), mediation costs (\$3,700.00), expert costs to
17 conduct damages analysis (\$750.00), Case Anywhere and other related case administration charges
18 (\$681.00), and costs incurred by co-counsel Bokhour Law Group, P.C. (\$2,000.00) and Blumenthal
19 Nordrehaug Bhowmik DeBlouw LLP (\$3,000.00).

20 31. Plaintiffs and Defendant agree that the Settlement Administrator shall mean and refer to
21 the third-party class action settlement administrator, ILYM Group, Inc. ("Settlement Administrator"). The
22 Settlement Administrator will provide the Notice to the Class Members and distribute the settlement
23 amounts.

24 32. The settlement amount was a compromise figure, factoring in the inherent risks related to
25 certification, liability, and damages. Accordingly, considering all of the circumstances of the action and
26 the defenses raised by Defendant against liability and damages, Class Counsel believes that the settlement
27 is fair and reasonable.

1 33. No later than fourteen (14) days after entry of the Preliminary Approval Order approving
2 the Joint Stipulation, Defendant shall provide to the Settlement Administrator the Class List and Data.
3 Within fourteen (14) days of receiving the Class List and Data, the Settlement Administrator shall send to
4 the Settlement Class Members, by First Class United States mail, the Notice in the form attached to the
5 Joint Stipulation as **Exhibit A**, provided the Court approves it. The Notice of Class Action Settlement
6 shall set forth the material terms of the Settlement, including the release to be given by all members of the
7 Settlement Class who do not request to be excluded from the Settlement Class. The Notice Packet also
8 shall be individualized by including the Settlement Class Member's starting and ending dates of
9 employment during the Settlement Class Period, the number of Qualifying Workweeks and estimated
10 Individual Settlement Payment for Participating Class Members who have separated from Defendant's
11 employment as of the Settlement's Effective Date. Class Members who wish to exclude themselves from
12 this Settlement must submit a written Request for Exclusion to the Settlement Administrator within sixty
13 (60) days after the date the Notice was mailed to Settlement Class Members (the "Response Deadline").
14 With the exception of PAGA Class Members, any Settlement Class Member who timely requests
15 exclusion will not be entitled to any recovery under the settlement and will not be bound by the terms of
16 the settlement or have any right to object, appeal or comment thereon. Each PAGA Employee who was
17 employed by Defendant during the PAGA Period will be issued a check for their share of the PAGA
18 Amount regardless of whether they opt-out of the Settlement, and all Settlement Class Members, including
19 those who submitted a timely and valid Request for Exclusion, will fully and finally release and discharge
20 the Released Parties from the PAGA Released Claims during the PAGA Period.

21 34. With the exception of PAGA claims, which have shorter claim periods, the time period
22 governing these Released Claims shall be the Class Period only. The October 28, 2017 start date of the
23 Class Period was chosen as four years prior to filing of the first class action complaint. The Parties have
24 agreed that the Class Period extended through February 16, 2023.

25 **THE STRENGTH OF PLAINTIFF'S CASE**

26 **IN LIGHT OF THE SETTLEMENT AMOUNT**

27 35. Because the class consists of numerous employees, it was unlikely that the potential
28 monetary claims of individual Class Members would have proved viable without the class-action

1 mechanism. The Joint Stipulation should, thus, be approved in light of two California appellate decisions:
2 *Clark v. American Residential Services, LLC* (2009) 175 Cal.App.4th 785 and *Kullar v. Foot Locker*
3 *Retail, Inc.* (2008) 168 Cal.App.4th 116.

4 36. California courts have unequivocally stated that the “most important factor [in determining
5 whether a settlement is fair and reasonable] is the strength of the case for plaintiffs on the merits, balanced
6 against the amount offered in settlement.” *Clark v. American Residential Services, LLC* (2009) 175
7 Cal.App.4th 785, 799 (citing *Kullar*). Here, Plaintiffs allege that Defendant failed to provide required meal
8 periods, underpaid their employees, failed to provide required rest periods, and failed to furnish accurate,
9 itemized wage statements, all in violation of California law. Additionally, Plaintiffs allege that, as a
10 consequence of those violations, Defendant also failed to pay overtime wages and minimum wages, failed
11 to timely pay wages, and failed to pay all wages due to discharged and quitting employees. Plaintiffs
12 allege related violations of California’s Business and Professions Code. The merits of each of Plaintiffs’
13 claims is addressed below.

14 **Claim Alleging a Failure to Provide Required Meal Periods**

15 37. Plaintiffs allege that Defendant failed to provide Plaintiffs and class members with meal
16 periods, as required under Cal. Lab. Code §§ 226.7, 512, and IWC Wage Order 9-2001. Pursuant to
17 California law, “No employer shall employ any person for a work period of more than five (5) hours
18 without a meal period of not less than 30 minutes.” Cal. Lab. Code §512(a); IWC Wage Order 9-2001
19 §11(A). Furthermore, for the 30-minute meal period, the employee must be free of all duties. *Id.* If the
20 employee is not relieved of all duty during the meal period, then the meal period shall be considered an
21 “on-duty” meal period and counted as time worked. *Id.* Additionally, “[i]f an employer fails to provide
22 an employee a meal period in accordance with the applicable provisions of this order, the employer shall
23 pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each workday
24 that the meal period is not provided.” IWC Wage Order 9-2001, §11(D).

25 38. After evaluating the information provided to Class Counsel by Defendant, including
26 reviewing and analyzing time records provided for the putative Class Members, the information provided
27 by Defendant disclosed numerous potential violations.
28

1 39. Defendant denies Plaintiffs' allegations and contends that it complied with all meal period
2 laws. If Defendant's contentions are proven true and prevail in trial, the likely outcome of this claim would
3 be no recovery for class members.

4 40. Class Counsel calculated that Defendant's maximum total exposure on the failure to
5 provide required meal periods claim at \$1,467,643.00. This estimate assumes a 50% violation rate for
6 each and every shift worked by class members throughout the class period. Class Counsel retained a
7 damages expert to look through the documentation that was available to Class Counsel from the formal
8 and informal discovery that occurred in this case. Based on an analysis of the documents that were
9 provided, Class Counsel estimated a maximum of approximately 60,865 meal break violations occurred
10 during the Class Period. In light of the foregoing analysis however, Class Counsel took into consideration,
11 when assessing damages under this cause of action, the chances of prevailing on the merits and applied
12 appropriate discounts. Defendant denied Plaintiffs' allegations and calculations.

13 **Claim Alleging a Failure to Provide Required Rest Periods**

14 41. Plaintiffs alleged that Defendant failed to provide all employees with the rest periods, as
15 required under Cal. Lab. Code §§226.7 and 512, and IWC Wage Orders. Under California law, every
16 employer is required to provide employees with rest periods, at the rate of a "ten (10) minutes net rest
17 time per four (4) hours [worked] or major fraction thereof." IWC Wage Order 9-2001 §12(A). Thus,
18 employers must provide employees with a ten-minute rest break for every four hours, or major fraction
19 thereof, that an employee worked. Likewise, employers must provide employees a *second* ten-minute
20 rest-period for each additional 4 hours worked, or major fraction thereof. *Id.* If an employer fails to
21 provide an employee with a required rest period, then the employee is entitled to one additional hour of
22 compensation at the employee's regular rate of pay for each workday that a rest period was not provided.
23 Cal. Lab. Code §226.7(c).

24 42. Plaintiffs allege that Defendant did not provide Class Members with all legally required
25 rest periods. Defendant's alleged violation of the rest period law would trigger consequent liability under
26 Cal. Lab. Code Section 226.7 because Defendant failed to pay Plaintiffs and Class Members who were
27 not provided with a statutorily required rest period one additional hour of compensation at each
28 employee's regular rate of pay for each workday that a rest period was not provided.

1 43. Defendant denied Plaintiffs' allegations. Defendant's position is that it complied with rest
2 period law and its policies include provisions in compliance with California law. If Defendant's
3 contentions are proven true and prevail in trial, the likely outcome of this claim would be no recovery for
4 class members.

5 44. Class Counsel estimated Defendant's maximum total exposure on the failure to provide
6 required rest period claim at \$2,201,476.00. This estimate assumes a 75% violation rate for each and every
7 shift worked by class members throughout the class period. Class Counsel retained a damages expert to
8 look through the documentation that was available to Class Counsel from the formal and informal
9 discovery that occurred in this case. Based on an analysis of the documents that were provided, Class
10 Counsel estimated a maximum potential of approximately 91,298 rest break violations during the Class
11 Period. In light of the foregoing analysis, however, Class Counsel took into consideration, when assessing
12 damages under this cause of action, the chances of prevailing on the merits and applied appropriate
13 discounts. Defendant denied Plaintiff's allegations and calculations.

14 **Claims Alleging Failure to Pay Overtime and Minimum Wages**

15 45. Plaintiffs alleged that Defendant failed to pay Plaintiffs and other class members' minimum
16 wages and overtime premium wages for all hours worked as a result of a variety of Defendant's company
17 policies and practices, including its policy and practice of rounding hours worked and its policy and
18 practice of auto-deducting "meal period" time from Plaintiffs and other class members' daily hours
19 worked regardless of whether a legally compliant meal period was provided. Accordingly, due to
20 Defendant's policies and practices, Plaintiffs and other class members were underpaid for some hours, not
21 paid any wages whatsoever for other hours, and not paid minimum wages for all hours worked or overtime
22 wages premium wages for all overtime hours worked.

23 46. Defendant denies Plaintiffs' allegations and contends that it complied with all applicable
24 minimum wage laws and regulations and all applicable overtime laws. If Defendant's contentions are
25 proven true and prevail in trial, the likely outcome of this claim would be no recovery for the class
26 members.

27 47. Class Counsel retained a damages expert to look through the documentation that was
28 available to Class Counsel from the formal and informal discovery that occurred in this case. Based on an

analysis of the documents that were provided, Class Counsel estimated Defendant's maximum total exposure for failure to pay overtime premium wages at \$781,075.00. This estimate assumes approximately 20,288.3 unpaid overtime hours worked by class members throughout the class period.

48. Based on an analysis of the documents that were provided, Class Counsel estimated Defendant's maximum total exposure for failure to pay minimum wages at \$163,432.00. This estimate assumes a weighted average minimum wage of \$12.86/hour.

49. In light of the foregoing analysis, however, Class Counsel took into consideration, when assessing damages under these causes of action, the chances of prevailing on the merits and applied appropriate discounts. Defendant denied Plaintiffs' allegations and calculations.

Claim Alleging Failure to Pay Timely Wages During Employment

50. Pursuant to California Labor Code Section 204, for all labor performed between the 1st and 15th days of any calendar month, Defendant is required to pay its employees between the 16th and 26th day of the month during which labor was performed. California Labor Code Section 204 also provides that for all labor performed between the 16th and 26th days of any calendar month, Defendant is required to pay their employees between the 1st and 15th day of the following calendar month. In addition, California Labor Code Section 204 provides that all wages earned for labor in excess of the normal work period shall be paid no later than the payday of the next regular payroll period.

51. Plaintiffs alleged that, during the relevant period, Defendant knowingly and willfully failed to pay Plaintiffs and class members all wages that they earned when due, as required by California Labor Code Section 204. Accordingly, pursuant to California Labor Code Section 210, failure to pay wages of each employee as provided in California Labor Code Section 204 triggers penalties of: (1) one hundred dollars (\$100.00) for each failure to pay each employee for each initial violation; and (2) two hundred dollars (\$200.00) for each failure to pay each employee, plus twenty-five percent (25%) of the amount unlawfully withheld, for each subsequent violation.

52. Defendant denies Plaintiffs' allegations and contends that it complied with all laws regulating the timely payment of wages for employees. If Defendant's contentions are proven true and prevail in trial, the likely outcome of this claim would be no recovery for the class members.

Claim Alleging Failure to Pay All Wages Due to Discharged and Quitting Employees

1 53. Labor Code Section 203 provides that if an employer willfully fails to pay an employee all
2 wages due at termination or within 72 hours of resignation, then that employee's wages shall continue as
3 a penalty until paid for a period of up to thirty (30) days from the date they were due. Because class
4 members stopped working for Defendant but again were not paid their full compensation for the reasons
5 discussed above, class members did not receive all wages due upon termination of employment.

6 54. Defendant argued that, under Labor Code Section 203, employers are only obligated to pay
7 waiting time penalties if they "willfully" fail to pay wages due and owing at the time of termination or
8 resignation. As Title 8, California Code of Regulations, Section 13520 states:

9 A willful failure to pay wages within the meaning of Labor Code Section 203 occurs
10 when an employer intentionally fails to pay wages to an employee when those wages are
11 due. However, a good faith dispute that any wages are due will preclude imposition of
waiting time penalties under Section 203.

12 A "good faith dispute" that any wages are due occurs when an employer presents a
13 defense, based in law or fact, which, if successful, would preclude any recovery on the
14 part of the employee. The fact that a defense is ultimately unsuccessful will not preclude
15 a finding that a good faith dispute did exist. Defenses presented which, under all the
circumstances, are unsupported by any evidence, are unreasonable, or are presented in
bad faith, will preclude a finding of a "good faith dispute."

16 55. Defendant maintains that because it had viable defenses in both law and fact, waiting time
17 penalties cannot be awarded and, in any case, such penalties are subject to a three (3)-year limitations
18 period under Labor Code Section 203(b). If Defendant's contentions are proven true and prevail in trial,
19 the likely outcome of this claim would be either no recovery for the class members, or a significantly
20 reduced recovery.

21 56. Class Counsel retained a damages expert to look through the documentation that was
22 available to Class Counsel from the formal and informal discovery that occurred in this case. Based on an
23 analysis of the documents that were provided, Class Counsel estimated Defendant's maximum total
24 exposure for waiting time penalties at \$3,879,986.00 based on an estimated 789 Class Members who
25 separated from their employment with Defendant between October 28, 2017 through the date of
26 mediation. In light of the foregoing analysis, however, Class Counsel took into consideration, when
27 assessing damages under this cause of action, the chances of prevailing on the derivative causes of action,
28 as well as the additional hurdles of prevailing under this cause of action, and applied the appropriate

discounts. In particular, Plaintiffs would have to prove that Defendant's actions were "willful" under the meaning of Labor Code Section 203 to recover this substantial penalty. Defendant denied Plaintiff's allegations and calculations.

Claim Alleging Failure to Maintain Required Records

57. Under California law, specifically California Labor Code Sections 226, 1174 and IWC Wage Orders, employers are required to maintain records for all employees, including, but not limited to, the following records: total daily hours worked by each employee, applicable rates of pay, all deductions, meal periods, time records showing when each employee begins and ends each work period, and accurate itemized statements.

58. Plaintiffs allege that Defendant intentionally and willfully failed to maintain these required records.

59. Defendant denies Plaintiffs' allegations and contends that it maintained all required records in accordance with California law. If Defendant's contentions are proven true and prevail in trial, the likely outcome of this claim would be no recovery for the class members.

Claim Alleging Failure to Furnish Accurate Itemized Wage Statements

60. Plaintiffs also alleged a cause of action under Labor Code Section 226(a). That section states that an employer must provide an accurate itemized wage statement twice a month or each time wages are paid, whichever is more frequent. Pursuant to Section 226(a), a compliant wage statement must include nine (9) specifically enumerated pieces of information. Failure of an employer to provide complete information as required by any one or more of these items will trigger liability for the employer. Cal. Lab. Code § 226(e)(2)(B).

61. An employers' failure to comply with the specific requirements of Section 226(a) entitles employees to recover the greater of all actual damages or fifty dollars (\$50.00) for the initial pay period in which a violation occurs and one hundred dollars (\$100.00) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000.00). Cal. Lab. Code § 226(e).

62. Defendant contends that Labor Code Section 226(e) penalties are not automatic. Rather, the employee must show (1) that he or she "suffered injury" from the employer's failure to provide compliant wage statements, *see Elliot v. Spherion Pacific Work, LLC* (2008) 572 F.Supp.2d 1169, 1181

1 (applying California law) (holding employee was not entitled to penalties because no injury was shown),
2 and (2) Defendant's noncompliance was "knowing and intentional." Finally, because the damages for this
3 cause of action are penalties, the statute of limitations only runs from one (1) year prior to the filing of the
4 original complaint. See Cal. Code Civ. Proc. § 340.

5 63. Plaintiffs argued that the paystubs were facially defective because they failed to provide
6 timely, accurate, and itemized wage statements in writing showing each employee's gross wages earned,
7 total hours worked, all deductions made, net wages earned, the name and address of the employing legal
8 entity and all applicable hourly rates in effect during each pay period and the corresponding number of
9 hours worked at each hourly rate.

10 64. If Defendant's contentions are proven true and Defendant prevails at trial, the likely
11 outcome of this claim would be no recovery for the class members.

12 65. Class Counsel estimated Defendant's maximum exposure on this claim at \$1,197,600.00.
13 Plaintiffs and an estimated 848 other Class Members worked for Defendant for a total of 12,400 pay
14 periods during the Labor Code Section 226(e) penalty period, accruing on average \$100.00 in violations
15 per pay period. Defendant denied Plaintiff's allegations and calculations.

16 **Claim Alleging Unfair Business Practices**

17 66. Plaintiffs pleaded this cause of action in order to augment their other causes of action and
18 aid in their prosecution. Business and Professions Code Section 17208 extends the statute of limitations
19 on Plaintiffs' wage claims, which qualify as unfair business practices, to four (4) years rather than the
20 three (3) years provided by statute.

21 **Alleged PAGA Penalties**

22 67. The Labor Code Private Attorneys General Act ("PAGA"), codified at Labor Code Section
23 2699 *et seq.*, allows Plaintiffs to obtain civil penalties on behalf of themselves and other class members
24 for Defendant's violation of any provision of the Labor Code enumerated by Labor Code Section 2699.5.
25 Where civil penalties are provided for in the statute, those civil penalties are recoverable; where no civil
26 penalties are recoverable, Labor Code Section 2699(f) establishes civil penalties of one hundred dollars
27 (\$100.00) for each aggrieved employee per pay period for the initial violation and two hundred dollars
28 (\$200.00) for each aggrieved employee per pay period for each subsequent violation. Cal. Lab. Code §

2699(f)(2). Pursuant to Labor Code Section 2699(i), seventy-five (75) percent of the penalties recovered must be allocated to the Labor and Workforce Development Agency (“LWDA”), with the remaining twenty-five (25) percent allocated to the affected employees. The limitations period for all PAGA penalties is one (1) year prior to the filing of the operative complaint. Defendant’s alleged violations of, *inter alia*, Labor Code Sections 203, 226(a), 226.7, 510 and 1194 all give rise to potential PAGA penalties under Section 2699.

68. PAGA penalties are not mandatory, but permissive. Labor Code Section 2699(e)(2) states that “a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.” *See also Thurman v. Bayshore* (2012) 203 Cal. App. 4th 1112 (substantially reducing PAGA penalties by 30% under this provision).

69. PAGA penalties are also derivative of Plaintiffs’ substantive claims, and accordingly, Plaintiffs’ PAGA claims are subject to the same defenses as the underlying claims on which they are based. Finally, following the analysis set forth in *Amaral v. Cintas Corp.* (2008) 163 Cal. App. 4th 1157, it could be argued that PAGA penalties only may be awarded at the rates obtainable for initial violations under the applicable statutes, because Defendant was not notified of the alleged violations. *Id.* at 1208-1209.

70. Based on an estimated 848 PAGA Class Members working a total of 12,400 pay periods during the PAGA Period, and conservatively assuming one (1) PAGA-eligible violation per PAGA Class Member per pay period, Class Counsel’s damages expert estimated Defendant’s maximum total exposure for PAGA penalties at approximately \$1,240,000.00.

71. After calculating estimated maximum exposure for PAGA penalties, Class Counsel then applied discounts in light of the countervailing arguments with regards to each cause of action, and in light of the Court’s power to award a “lesser amount than the maximum civil liability.” Based on the totality of that analysis, Class Counsel believes that the contemplated PAGA payment of \$30,000.00 is fair, reasonable and appropriate. Defendant denied Plaintiffs’ PAGA allegations and estimated penalty calculations.

Summary

72. The foregoing discussion has sought to explain how the settlement amount is adequate in light of the merits of Plaintiffs' case, taking into account the legal basis for each of Plaintiffs' causes of action, the evidence that Class Counsel gathered in support of those causes of action, and Defendant's legal and factual arguments that worked to derogate from the strength of Plaintiffs' case.

73. Class Counsel had to apply appropriate discounts in light of the facts and law as discussed above. Defendant argued several defenses, including that Defendant was complying with all applicable laws, and therefore was not liable to Plaintiffs and the class at all. This settlement, like most others, was the product of compromise. Because of these and other risks, a recovery of \$1,400,000.00 under the Joint Stipulation is an excellent result. The proposed settlement before the Court amounts to approximately 12.8% of Defendant's maximum estimated damage exposure for the asserted claims.

**THE RISKS, EXPENSE, AND LIKELY DURATION OF FURTHER LITIGATION, AS WELL
AS THE RISK OF MAINTAINING CLASS ACTION STATUS THROUGH TRIAL**

74. The next *Clark/Kullar* recognized factor in determining whether or not a class action settlement is fair and reasonable takes into consideration the "risks and expenses of attempting to establish and collect on [plaintiffs'] claims by pursuing litigation." *Clark v. American Residential Services, LLC* (2009) 175 Cal. App. 4th 785, 800. Specifically, courts should keep in mind the risks and expenses posed by further litigation, especially in the class-action context, and the risk of non-certification (and decertification), where determining the adequacy of class action settlements.

75. Further litigation of this case posed real risks for a number of reasons. First, there were the risks of unfavorable rulings on the merits of the various indeterminate legal issues outlined in the previous section. Almost every cause of action at issue was subject to some unique indeterminacy of its own, and the derivative causes of action were thus subject to a double indeterminacy, both their own and those of the causes of action on which they were based.

76. Class Counsel maintained that there were several legal and factual questions at issue in the case that could best be decided on a class wide basis. Class Counsel contended that the same relevant policies and practices applied to all class members and therefore common questions obtained and were likely to predominate over individual inquiries. Defendant disputed these contentions and insisted that the

1 *Brinker* decision called into question the certifiability of cases such as this one. Defendant also argued
2 that its policies were compliant with the law, while Plaintiffs disputed that the policies were lawful, and
3 argued the lawfulness of such policies would give rise to common questions amenable to certification.
4 Thus, the parties had set positions on the propriety of certifiability and liability that did not admit of an
5 easy resolution.

6 77. Finally, it is always preferable to reach a relatively early resolution of a dispute because,
7 in addition to what has already been said, such resolutions save time and money that would otherwise go
8 to litigation. Most cases settle sooner or later. If this case ended up settling after further litigation, the
9 settlement amount would have taken into account the additional costs incurred, and there might have been
10 less available for class members. This is not just an abstract contention. The parties were moving into the
11 phase of this litigation where they would have had to conduct further formal discovery and investigation
12 to establish liability for trial. Discovery disputes would have been in the offing. The parties were also
13 aware that a class action trial would be a complicated and expensive proceeding, and then there was the
14 likelihood of a long, drawn-out appeals process. In contrast, the settlement provides real benefits for class
15 members in the immediate future. The benefits are not insignificant for anyone, especially given the
16 current economic climate. Consequently, the risk and expense of further litigation outweighed any benefit
17 that might have been gained otherwise.

18 **NOTICE TO AND REACTION OF CLASS MEMBERS**
19 **TO THE PROPOSED SETTLEMENT**

20 78. It is premature to address this factor now, at the preliminary approval stage; however, some
21 observations are in order. First, the notification procedure set forth in the Joint Stipulation provides the
22 greatest likelihood that each and every class member will receive the Class Notice (the “Notice”), attached
23 to the Joint Stipulation as **Exhibit A**. Under the Joint Stipulation, the Settlement Administrator, within
24 fourteen (14) days of receiving the Class List and Data from Defendant, will mail the Notice to the
25 Settlement Class Members, by First Class United States mail, in both English and Spanish.

26 79. The Settlement Administrator shall use standard devices, including a skip trace, to obtain
27 forwarding addresses of any Settlement Class Member, if any envelopes with Notices are returned. The
28 Settlement Administrator will take reasonable steps to ensure that the Notice is sent to all Settlement Class

1 Members and for any returned notices, the Settlement Administrator will re-mail a new Notice to any
2 Class Member for whom an updated address is located. If no forwarding address is provided, the
3 Settlement Administrator shall promptly attempt to determine a correct address by lawful use of skip-
4 tracing or other searching using the name, address and/or Social Security number of the Settlement Class
5 Member involved, and shall then perform a re-mailing, if another mailing address is identified by the
6 Settlement Administrator. Most, if not all, class members thus are likely to receive the Notice Packet.

7 80. The Notice itself fully apprises class members of the nature of the lawsuit, the claims
8 involved, the terms of the settlement, and their options and rights thereunder. The Notice provides a
9 specific procedure for seeking exclusion from the Class and for lodging objections to the settlement. In
10 the Notice, class members also will receive Class Counsel's contact information, so that Class Members
11 can speak to attorneys conversant with the legal and factual issues involved in this case. These efforts will
12 be taken to ensure that class members receive the Class Notice and are well informed about the settlement,
13 and to enable a favorable response rate.

14 81. All class members will benefit because defendants who have been sued are generally more
15 likely to comply with the law in the future. Settlement Class Members will have the opportunity, should
16 they disagree with their number of individual Qualifying Workweeks and/or the date of their separation
17 from Defendant's employment stated in their individualized Notice, to provide documentation and/or an
18 explanation to show contrary Qualifying Workweeks and/or a corrected date of separation from
19 Defendant's employment. If there is a dispute, the Settlement Administrator will consult with the Parties
20 to determine whether an adjustment is warranted, and Defendant shall provide any documentation it has
21 to support its position. The Settlement Administrator shall determine the eligibility for, and the amounts
22 of, any Individual Settlement Payments and/or PAGA Payments, and the Settlement Administrator's
23 determination as to these issues shall be binding upon the Settlement Class Member and the Parties. Any
24 disputes not resolved by the Settlement Administrator concerning the administration of the Settlement will
25 be resolved by the Court under the laws of the State of California. Prior to any such involvement of the
26 Court, counsel for the Parties will confer in good faith to attempt to resolve the disputes without the
27 necessity of involving the Court.

1 82. Class Members who wish to exclude themselves from this Settlement must submit a written
2 Request for Exclusion to the Settlement Administrator within sixty (60) days after the date the Notice was
3 postmarked (the “Response Deadline”). The Settlement Administrator shall use standard devices,
4 including a skip trace, to obtain forwarding addresses of any Settlement Class Member, if any envelopes
5 with Notices are returned. The Settlement Administrator will take reasonable steps to ensure that the
6 Notice is sent to all Settlement Class Members and for any returned notices, the Settlement Administrator
7 will re-mail a new Notice to any Class Member for whom an updated address is located. If no forwarding
8 address is provided, the Settlement Administrator shall promptly attempt to determine a correct address
9 by lawful use of skip-tracing, or other search using the name, address and/or Social Security number of
10 the Settlement Class Member involved, and shall then perform a re-mailing, if another mailing address is
11 identified by the Settlement Administrator. In the event that another mailing address is identified, the
12 Settlement Administrator shall re-mail a new copy of the Notice within five (5) calendar days of the date
13 a Notice is returned as undeliverable. With the exception of PAGA Class Members, who will receive
14 their share of the PAGA Payment and be bound by the Joint Stipulation’s release of any and all claims
15 under the PAGA regardless of their opt-out status, any Settlement Class Member who timely requests
16 exclusion will not be entitled to any recovery under the settlement and will not be bound by the terms of
17 the settlement or have any right to object, appeal or comment thereon. Any written request to opt-out must
18 be signed by each such person opting out. All Class Members who do not timely and properly notify the
19 Claims Administrator of their desire to opt-out of the Settlement shall become bound by all determinations
20 of the Court, the Stipulation and Judgment.

21 83. The Notice shall state that Settlement Class Members who wish to object to the Settlement
22 must mail, fax or email their written statement of objection to the Settlement Administrator (“Notice of
23 Objection”) by the Response Deadline. The date on the proof of service or time stamp shall be deemed
24 the exclusive means for determining that a Notice of Objection was served timely. The Notice of
25 Objection must be signed by the Settlement Class Member and include full name of the Settlement Class
26 Member; the dates of employment of the Settlement Class Member; a clear and concise statement of the
27 basis for each specific objection and any accompanying legal support therefor; and whether the Settlement
28 Class Member intends to appear at the Final Approval/Settlement Fairness Hearing. The Settlement

1 Administrator will reach out to any objector who has failed to include the required information and give
2 them a chance to provide the information needed to perfect their objection. Settlement Class Members
3 who submit a timely Notice of Objection prior to the Response Deadline will have a right to appear at the
4 Final Approval/Settlement Fairness Hearing in order to have their objections heard by the Court. The
5 Court will hear from any Class Member who attends the Final Approval Hearing and asks to speak
6 regarding his or her objection without the need to file a written objection or notice of appearance. Written
7 objections will not be presumptively invalidated if the objections do not comply with all requirements,
8 other than timeliness. At no time shall any of the Parties or their counsel seek to solicit Settlement Class
9 Members to file or serve written objections to the Settlement or appeal from the Order and Final Judgment.
10 Settlement Class Members who submit a Request for Exclusion are not entitled to object to the Settlement.

11 **CONCLUSION OF THE CLARK/KULLAR ANALYSIS**

12 84. The foregoing discussion has sought to determine the fairness of the class action settlement
13 in the instant case. It has done this by analyzing the settlement in light of the appellate decisions in *Clark*
14 and *Kullar*. This analysis has concluded that the settlement is fair, reasonable, and adequate. Class Counsel
15 conducted a thorough investigation of the subject wage-and-hour practices and engaged in non-collusive,
16 arm's-length negotiations in order to reach a settlement. Defendant has agreed to pay fair value to settle
17 Plaintiff's claims given the existence of legal uncertainty of Plaintiffs' claims, and the Defendant's initial
18 belief that they were in complete compliance with the law. From Class Counsel's substantial experience
19 with wage-and-hour class action lawsuits, Class Counsel believes that this case could not have settled on
20 better terms under the circumstances. Request therefore is made that the settlement be granted preliminary
21 approval so that those persons whom it was intended to benefit shall be afforded the opportunity to
22 determine its adequacy for themselves.

23 **REQUEST FOR ATTORNEYS' FEES**

24 85. The settlement calls for the payment of up to one-third (1/3) of the Maximum Settlement
25 Amount for attorneys' fees (\$466,200.00). This request is fair, reasonable, and adequate to compensate
26 Class Counsel for the substantial work they have put into this case and, moreover, the risk they assumed
27 by taking it in the first place. The attorneys' fees award is intended to reimburse Class Counsel for all
28 uncompensated work that they already have done and for all the work they will continue to do in carrying

1 out and overseeing the notification to class members, communicating with class members regarding their
2 claims, and assisting in the administration of the settlement if it is preliminarily approved.

3 86. My firm and the other Class Counsel took this case on a contingent-fee basis against a
4 business represented by a reputable defense firm. When we take contingent cases, we must pay careful
5 attention to the economics involved or one bad case can destroy years of work. Accordingly, when we
6 take contingency cases, we anticipate that we shall, if successful, receive a fee that exceeds our normal
7 hourly rate; otherwise, the risk is often too great to bear. Even when we work long hours, the number of
8 hours in a day is limited. Because of this, when we take on one particular matter, we are unable to take on
9 other matters. When Class Counsel became involved in this case, we realized the time commitment that it
10 would entail, and we were forced to turn down matters that we otherwise should have been able to handle.
11 In sum, this case claimed a significant portion of Class Counsel's time and attention throughout its
12 pendency.

13 87. The requested fee is reasonable for the services provided to class members and for the
14 benefits they are to receive. Indeed, even with a modest multiplier under the lodestar theory, *see Bihun v.*
15 *AT&T Information System* (1993) 13 Cal.App.4th 976, 997, Class Counsel's fees would still be justified.
16 Class Counsel will more fully brief the Court on its lodestar in the motion for final approval, if necessary.

17 **CLASS REPRESENTATIVE SERVICE PAYMENTS TO PLAINTIFFS AS THE**
18 **CLASS REPRESENTATIVES**

19 88. Plaintiffs herein are entitled to a reasonable service payment for their effort and initiative
20 in bringing and helping to prosecute this action. Plaintiffs spent a considerable amount of time better
21 apprising themselves of their rights, deciding whether remedial action should be taken and how it should
22 be taken, searching for attorneys, and finally contacting Class Counsel, who spent many hours with
23 Plaintiffs discussing this case and the applicable law. In the end, Plaintiffs decided to vindicate not only
24 their own rights but also those of their co-workers by filing a class action lawsuit.

25 89. The courage it took to stand up to Defendant in this way should not be underestimated. By
26 suing Defendant, Plaintiffs increased his risk of retaliation by prospective employers. Plaintiffs' lawsuit
27 has now cost Defendant considerable resources, and Plaintiffs contend such conduct will not be lost on a
28 prospective employer who has to choose between an applicant who has never sued a prior employer and

one who has. Plaintiffs contends this risk is particularly real in the information age, where employers can more easily than ever perform background checks of prospective employees, sometimes with the stroke of a key.

90. Plaintiffs did not allow their fears of the potential repercussions of being class representatives deter them from acting for the benefit of Class Members. To the contrary, Plaintiffs have been intimately involved in this case since its inception. They have devoted a substantial amount of time to helping Class Counsel effectively develop and prosecute this action at every stage of the litigation. Both before and after the filing of this lawsuit, Plaintiffs conferred with Class Counsel on numerous occasions to discuss every aspect of this case, provided Class Counsel with information about Defendant and about the industry generally, reviewed documents, identified witnesses, consulted Class Counsel throughout the litigation repeatedly and at length, participated in the mediation process, monitored the progress of the litigation with Class Counsel, and reviewed and signed the Joint Stipulation.

91. Plaintiffs have spent a significant amount of time with Class Counsel detailing their knowledge of Defendant's practices and helping Class Counsel with the prosecution of this action. They have diligently, adequately, and fairly represented class members, and have not placed their interests above any member of the putative class. The service payments to Plaintiffs are intended to recognize their time and effort on behalf of the class. The amount requested is fair and appropriate based on their contribution to and involvement in this action. For example, Plaintiffs instigated the lawsuit by bringing these violations to the attention of Class Counsel. They spent several hours answering questions and providing information to Class Counsel throughout the pendency of this action. Plaintiffs identified witnesses, explained to Class Counsel Defendant's day-to-day business practices, etc. The parties are in agreement that Plaintiffs are entitled to a class representative incentive award for their time and effort in this matter. This sort of payment to a class representative has been a common feature of settlements negotiated by Class Counsel and has been routinely approved by trial courts.

92. In light of the foregoing, Class Counsel believes that the Class Representative Service Payments in the amount of \$10,000.00 for each Plaintiff is fair and reasonable. This amount is orders of magnitude lower than the \$50,000.00 in class representative incentive awards to the two named plaintiffs approved by the trial court in *Clark*. See *Clark, supra*, 175 Cal.App.4th at 807. Although Class Counsel

1 appreciate that the Court has a duty to ensure that class representatives are not overcompensated at the
2 expense of the class, modest incentive awards in employment class actions, such as the one here, are
3 necessary not only to compensate class representatives for the time they spend in the case, but also, and
4 more importantly, to encourage aggrieved employees to challenge questionable employment practices
5 notwithstanding the very real consequences they may face.

6 **CRITERIA SATISFIED FOR CERTIFICATION OF A SETTLEMENT CLASS**

7 93. The proposed class satisfies the criteria for certification of a settlement class under
8 California law, as embodied in California Code of Civil Procedure Section 382. Defendant has agreed to
9 the certification of the class for settlement purposes only. In general, courts may take a proposed settlement
10 into account in evaluating the propriety of class certification. *See Dunk v. Ford Motor Co.* (1996) 48 Cal.
11 App. 4th 1794, 1807 fn. 19. Indeed, a “lesser standard” of scrutiny applies in certifying classes for
12 settlement purposes. *Id.* Therefore, the Court should take into consideration the fact that the parties have
13 settled their claims and stipulated to certification for settlement purposes when assessing typicality and
14 adequacy.

15 a. Numerosity. The putative class is so numerous that joinder of all members is impractical.
16 The class is defined as all current and former employees of Defendant who are employed or have been
17 employed as an hourly, non-exempt employee by Defendant in the State of California during the Class
18 Period. There are an estimated 925 persons fitting this definition. Thus, there are a sufficient number of
19 class members to warrant certifying this as a class action for settlement purposes. The number of Class
20 Members was determined by reference to the records and documents produced by Defendant.

21 b. Ascertainability. The putative class is defined in a manner that is precise, objective, and
22 ascertainable. It consists of all current and former employees of Defendant who were classified as hourly,
23 non-exempt employees in the State of California from October 28, 2017 through February 16, 2023.

24 c. Typicality. A class representative’s claims are typical when they arise from the same event,
25 practice, or course of conduct that gives rise to the claims of other putative class members, and if their
26 claims rest on the same legal theories. The class representative’s claims must be “typical,” but not
27 necessarily identical to the claims of other class members. *See B.W.I. Custom Kitchens v. Owens-Illinois,*
28 *Inc.* (1987) 191 Cal.App.3d 1341, 1347 (“[I]t has never been the law in California that the class

1 representative must have identical interests with the class members.”). It is sufficient that the
2 representative is similarly situated so that he or she will have the motive to litigate on behalf of all class
3 members. *See Classen v. Weller* (1983) 145 Cal.App.3d 27, 47. Thus, it is not necessary that the class
4 representative should have personally incurred all of the damages suffered by each of the other class
5 members. *See Wershba v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 228.

6 Plaintiffs’ claims are typical of the other class members’ claims because they arose from the same
7 factual basis and are based on the same legal theories. Plaintiffs were employed as hourly, non-exempt
8 employees during the Class Period and subject to the allegedly unlawful pay practices at issue in this
9 litigation. Accordingly, Plaintiffs are members of the class. The central issues of this litigation (employees
10 were underpaid because they were not paid for all hours worked, were not provided meal and rest break
11 premiums, and related wage and hour claims) would arise if this were an individual action brought by
12 Plaintiffs, the same issues apply to the other class members as well, and the resolution of those common
13 issues would determine Defendant’s liability to Plaintiffs and liability to the entire putative class. As noted
14 in the operative Complaint, Plaintiffs contend that Defendant did not compensate employees for all hours
15 worked, thus not paying employees all minimum wages and overtime due. Plaintiffs further contend that
16 Defendant did not pay employees meal and rest break premiums, and that Defendant failed to issue lawful
17 wage statements to all employees. Thus, Plaintiffs’ claims are typical of the claims of the putative class.
18 Accordingly, the typicality requirement is satisfied.

19 d. Adequacy. A class representative must possess the same interest and suffer the same injury
20 as the class members. “To assure ‘adequate’ representation, the class representative’s personal claim must
21 not be inconsistent with the claims of other members of the class.” *J.P. Morgan & Co., Inc. v. Superior*
22 *Ct. (Heliotrope General, Inc.)* (2003) 113 Cal.App.4th 195, 212. Thus, the adequacy requirement is
23 satisfied when the class representative’s interests are not antagonistic to those of the class. *See McGhee*
24 *v. Crocker-Citizens Nat. Bank* (1976) 60 Cal.App.3d 442, 451.

25 Plaintiffs have no conflicts with the class, and in fact, Plaintiffs’ interests are aligned with those
26 of the class. Because Plaintiffs’ claims are identical to those that would be asserted by the unnamed class
27 members were they before the Court, Plaintiffs have every interest in zealously representing the unnamed
28 class members. Plaintiffs have not shrunk from this responsibility. Indeed, Plaintiffs have devoted a

substantial amount of time and energy to litigating this action and effecting a settlement. Furthermore, as detailed above, Class Counsel are experienced in wage-and-hour litigation, especially class actions, and have zealously represented the interests of the class in litigating this case. Accordingly, the adequacy requirement is satisfied.

e. Commonality. Common questions of law or fact in this case predominate over individual questions. This action involves, *inter alia*, a determination about Defendant's failure to pay all wages due to employees, the resulting failure to pay final wages when required, the failure to provide accurate paystubs, failure to pay timely wages, failure to maintain records, and largely derivative claims under the Business & Professions Code and the PAGA. Plaintiffs contend these practices affected class members in the same way. All class members were employed during the Class Period. Therefore, the operative complaint delineates a common course of conduct applicable to all Class Members. Therefore, based on Class Counsel's investigation, the review of the discovery produced by Defendant, and their discussions with Plaintiffs, Plaintiffs contend the evidence supports their position that the employment practices and policies of Defendant's business are consistent and uniform.

f. Predominance. Individualized issues do not predominate over the issues of law and fact that are common to the class as a whole. The principal issues of controversy are whether Class Members were paid for all hours worked, whether Defendant failed to provide Class Members with required meal and rest breaks, and whether Defendant failed to keep required records, provide accurate wage statements, or timely pay employees during and after employment. As explained above, there are common issues of law and fact given that Plaintiffs and all Class Members were subjected to the same policies and pay practices during the relevant time period. Plaintiffs and Class Members all seek unpaid wages and overtime and penalties for failure to timely pay during and after employment. These issues are suitable for common adjudication because all Class Members were subject to the same employment policies throughout the Class Period and Plaintiffs contend the practices applied uniformly to all Class Members.

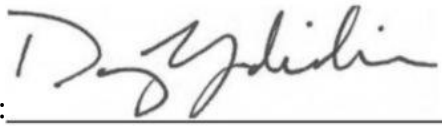
g. Superiority. Class resolution is superior to other available methods for the fair and efficient adjudication of the controversy. There is little interest or incentive for Class Members to individually control the prosecution of separate actions. Although the injury resulting from Defendant's policies and practices is real and significant, the cost of individually litigating each such case against Defendant would

1 easily exceed the value of any relief that could be obtained by any one Class Member individually. If
2 Class Members are forced to litigate their claims individually, this would result in as many as 925
3 individual actions against Defendant. Here, the alternative methods of resolution are individual suits for
4 relatively small amounts. Hence, an individual suit would prove uneconomical for potential plaintiffs
5 because litigation costs would dwarf a potential individual recovery.

6 h. Except for Plaintiffs' Actions, Plaintiffs are unaware of any other class actions by Class
7 members against Defendant asserting similar claims as here. Furthermore, Los Angeles County is a
8 compelling forum for this action given that Defendant's location is in Los Angeles County and numerous
9 Class Members work in this County.

10 i. There are no serious manageability difficulties presented by preliminarily approving the
11 case for settlement purposes. As this case will not go to trial if finally approved, all that would remain is
12 claims administration and responding to possible objectors.

13 I declare under penalty of perjury under the laws of the State of California that the foregoing is
14 true and correct. Executed this 29th day of June, 2023, at Santa Monica, California.

15 
16 By: _____
17 Danny Yadidsion
18 Attorney for Plaintiffs Alejandro Valenzuela and
19 Angeleigh Manjarrez, individually, and on behalf of
20 the putative class
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EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs Alejandro Valenzuela, Angeleigh Manjarrez, and Paris Johnson (“Plaintiff”), individually and on behalf of all members of the Settlement Class and PAGA employees and Defendant Bamia 2, LLC (“Defendant”) The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Actions” means the Plaintiffs’ lawsuits alleging wage and hour violations against Defendant captioned: 1) *Alex Furtado v. REEF Global, Inc., Bamia 2, LLC, and Reef Technology, Inc.*, comprising a PAGA action currently pending in the Los Angeles County Superior Court as Case Number 21STCV37585 and *Alex Furtado v. Reef Global Inc. and Bamia 2, LLC* comprising a class action currently pending in the Los Angeles County Superior Court as Case Number 21STCV39813, which were consolidated and are pending before Judge Elihu Berle (the “Furtado Action”) with Case Number 21STCV37585 being the lead case in the Los Angeles County Superior Court; 2) *Paris Johnson v. Bamia 2, LLC, REEF Global, Inc., and REEF Technologies, Inc.*, comprising a class action currently pending in the United States District Court for the Eastern District of California as Case Number 2:22-CV-0058-KJM-AC before District Court Judge Kimberly J. Mueller (the “Johnson Action”); 3) *Alejandro Valenzuela and Angeleigh Manjarrez v. Bamia 2, LLC*, comprising a class action currently pending in the United States District Court for the Northern District of California as Case Number 4:22-CV-03675-HSG before District Court Judge Haywood S. Gilliam; and 4) *Alejandro Valenzuela and Angeleigh Manjarrez v. Bamia 2, LLC*, comprising a PAGA action currently pending in the San Francisco Superior Court as Case Number CGC-22-598896 before Judge Samuel Feng (the Valenzuela and Manjarrez class action and PAGA action are referred to herein collectively as the “Valenzuela Actions”).
- 1.2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means all persons employed in California by Defendant Bamia 2 LLC as an hourly, non-exempt employee at any time during the period between August 4, 2020, through February 16, 2023.
- 1.5. “Class” means all individuals who are or were previously employed by Defendant Bamia 2 LLC in California and classified as a non-exempt employee at any time during the period of October 28, 2017, through February 16, 2023.

- 1.6. “Class Counsel” means Labor Law PC; Falakassa Law, PC; Bokhour Law Group, P.C.; and Blumenthal Nordrehaug Bhowmik De Blouw LLP.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in DEFENDANT’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English [with a Spanish translation, if applicable] in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from October 28, 2017, through February 16, 2023.
- 1.13. “Class Representative” means the named Plaintiffs in the First Amended Class and Representative Action Complaint filed in the Furtado Action on June 8, 2023, and seeking Court approval to serve as Class Representatives.
- 1.14. “Class Representative Service Payment” means the payment to the Class Representatives for initiating the Actions and providing services in support of the Actions.
- 1.15. “Court” means the Superior Court of California, County of Los Angeles.
- 1.16. “DEFENDANT” means named Defendant Bamia 2 LLC.
- 1.17. “Defense Counsel” means Jackson Lewis P.C.
- 1.18. “Effective Date” means the date by when both of the following have occurred:
 - (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement;

and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

- 1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22. “Gross Settlement Amount” means ONE MILLION FOUR HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$1,400,000.00), inclusive of attorneys’ fees, costs, enhancement awards, claims administration expenses, and PAGA penalties including payment to the Labor Workforce and Development Agency (“LWDA”), which is the total amount DEFENDANT agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator’s Expenses.
- 1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual

Class Payments.

- 1.29. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for DEFENDANT for at least one day during the PAGA Period.
- 1.31. “PAGA Period” means the period from August 4, 2020, through February 16, 2023.
- 1.32. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33. “PAGA Notice” means Plaintiff Alex Furtado’s August 3, 2021, letter to DEFENDANT and the LWDA; Plaintiff Paris Johnson’s February 3, 2022 letter to DEFENDANT and the LWDA; and Plaintiffs Alejandro Valenzuela and Angeleigh Manjarrez’s October 14, 2021 letter to DEFENDANT and the LWDA.
- 1.34. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$7,500) and the 75% to LWDA in settlement of PAGA claims (\$22,500).
- 1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36. “Plaintiffs” means Alejandro Valenzuela, Angeleigh Manjarrez, and Paris Johnson, the named plaintiffs in the Actions.
- 1.37. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39. “Released Class Claims” means the claims being released as described in Paragraph 6.2 below.
- 1.40. “Released PAGA Claims” means the claims being released as described in Paragraph 6.2 below.
- 1.41. “Released Parties” means: DEFENDANT and all of its present and former, direct and indirect, parent companies, subsidiaries, owners, divisions, concepts, co-employers, related or affiliated companies (including but not limited to REEF Technologies, Inc. and REEF Global, Inc.), members, officers, directors, employees, agents, attorneys, insurers, re-insurers, successors and assigns, and any individual or entity which could be liable for any of the Released Claims , and Defendant’s counsel of record in the Action.

- 1.42. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.43. “Response Deadline” means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.44. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.45. “Workweek” means any week during which a Class Member worked for DEFENDANT for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On October 13, 2021, Plaintiff Alex Furtado commenced this Action by filing a Complaint alleging causes of action against DEFENDANT for violations of PAGA. On October 28, 2021, Furtado filed a class action complaint against Defendant for employment law-related claims arising from the same core nucleus of operative facts in Los Angeles County Superior Court. On February 4, 2022, Plaintiff Paris Johnson (“Johnson”) filed a substantially similar class action complaint in Sacramento County Superior Court. On March 25, 2022, Plaintiffs Alejandro Valenzuela and Angeleigh Manjarrez (Valenzuela and Manjarrez”) filed a substantially similar class action complaint in San Francisco County Superior Court. On March 25, 2022, Valenzuela and Manjarrez filed a representative action in in San Francisco County Superior Court against Defendant for civil penalties under PAGA arising from the same core nucleus of operative facts as the other Actions. Defendant later removed the Johnson Action and the Valenzuela Class Action to federal court. Tragically, Mr. Furtado died suddenly during the course of the litigation. After the Parties reached an agreement in principle to settle the Actions and seek settlement approval in the first-filed Furtado Action, the Parties agreed and received court approval to substitute Plaintiffs Alejandro Valenzuela, Angeleigh Manjarrez, and Paris Johnson as named plaintiffs in the Furtado Action, and further stipulated and received court approval to file an omnibus First Amended Class and Representative Action Complaint (filed on June 8, 2023) in the Furtado Action, which raised all claims and factual allegations raised in the various Actions.
- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to DEFENDANT and the LWDA by sending the PAGA Notice.
- 2.3. On November 15, 2022, the Parties participated in an all-day mediation presided over by mediator John Adler which led to this Agreement to settle the Actions.
- 2.4. Prior to negotiating the Settlement, Plaintiff obtained, through informal discovery documents. Plaintiff’s investigation was sufficient to satisfy the criteria for court

approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).

2.5. The Court has not granted class certification.

2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, DEFENDANT promises to pay \$1,400,000.00 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. DEFENDANT has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to DEFENDANT.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1. To Plaintiffs: Class Representative Service Payment to each of the Class Representatives of not more than \$10,000.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members). DEFENDANT will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33 1/3%, which is currently estimated to be \$466,200.00 and a Class Counsel Litigation Expenses Payment of not more than \$13,000.00. DEFENDANT will not oppose requests for these payments provided that do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval

Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds DEFENDANT harmless, and indemnifies DEFENDANT, from any dispute or controversy regarding any division or sharing of any of these Payments. Class Counsel agree to share the Class Counsel Fees Payment as follows: sixty-five percent (65%) to Labor Law PC; twelve and one-half percent (12.5%) to Blumenthal, Nordrehaug, Bhowmik, DeBlouw LLP; eleven and one-quarter percent (11.25%) to Bokhour Law Group, P.C.; and eleven and one-quarter percent (11.25%) to Falakassa Law, P.C. DEFENDANT takes no position on this division of the Class Counsel Fees Payment.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$15,750.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$15,750.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining portion of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$30,000 to be paid from the Gross Settlement Amount, with 75% (\$22,500)

allocated to the LWDA PAGA Payment and 25% (\$7500) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, DEFENDANT estimates there are 925 Class Members who collectively worked a total of 29,048 Workweeks, and 866 of Aggrieved Employees who worked a total 8,035 of PAGA Pay Periods.

4.2. Class Data. Not later than 30 days after the Court grants Preliminary Approval of the Settlement, DEFENDANT will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. DEFENDANT has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which DEFENDANT must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. DEFENDANT shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay DEFENDANT's share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 14 days after DEFENDANT funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service

Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate DEFENDANT to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

6. RELEASES OF CLAIMS. Effective on the date when DEFENDANT fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

6.1 Plaintiffs' Release. Plaintiffs and their respective former and present spouses,

representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, and Plaintiffs' PAGA Notices. ("Plaintiffs' Release.") Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now knows or believes to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

6.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, 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.

6.2 Release by Participating Class Members Who Are Not Aggrieved Employees:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint. Except as set forth in Section 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

6.3 Release by Non-Participating Class Members Who Are Aggrieved Employees:

All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice.

7. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

- 7.1 DEFENDANT's Declaration in Support of Preliminary Approval. Within 14 days of the full execution of this Agreement, DEFENDANT will prepare and deliver to Class Counsel a signed Declaration from DEFENDANT that shall aver that it is not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 7.2 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (vi) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator.
- 7.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
- 7.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

8. SETTLEMENT ADMINISTRATION.

- 8.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 8.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 8.4 Notice to Class Members.
- 8.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.
- 8.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice with Spanish translation, if applicable substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 8.4.3 Not later than 3 business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 8.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an

additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

- 8.4.5 If the Administrator, DEFENDANT or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

8.5 Requests for Exclusion (Opt-Outs).

- 8.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 8.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 8.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an

Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.4 of this Agreement and are eligible for an Individual PAGA Payment.

8.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

8.7 Objections to Settlement.

8.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

8.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

8.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

8.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval

Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

- 8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 8.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 8.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 8.8.5 Administrator’s Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

8.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

9. **CLASS SIZE ESTIMATES** Based on its records, DEFENDANT estimates that, as of the date of this Settlement Agreement, (1) there are 925 Class Members and 29.048 Total Workweeks during the Class period and (2) there were 866 Aggrieved Employees who worked 8,035 Pay Periods during the PAGA Period.

10. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, DEFENDANT may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if DEFENDANT withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, DEFENDANT will remain responsible for paying all Settlement Administration Expenses incurred to that point. DEFENDANT must notify Class Counsel and the Court of its election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

11. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

11.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment,

Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

11.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

11.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

12. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

13. ADDITIONAL PROVISIONS.

13.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by DEFENDANT that any of the allegations in the Operative Complaint have merit or that DEFENDANT has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that DEFENDANT's defenses in

the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, DEFENDANT reserves the right to contest certification of any class for any reasons, and DEFENDANT reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest DEFENDANT's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

13.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, DEFENDANT and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, DEFENDANT and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

13.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

13.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

13.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and DEFENDANT, 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 reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

- 13.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 13.7 No Prior Assignments. The Parties separately represent 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 by the Party in this Settlement.
- 13.8 No Tax Advice. Neither Plaintiff, Class Counsel, DEFENDANT nor Defense Counsel are providing any 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.
- 13.9 Modification of Agreement. This Agreement, 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, and approved by the Court.
- 13.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 13.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 13.12 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.
- 13.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 13.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by DEFENDANT in connection with the mediation, other settlement negotiations, or in connection with the Settlement, 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 of court. Not later than 30 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and

electronic versions of Class Data received from DEFENDANT unless, prior to the Court's discharge of the Administrator's obligation, DEFENDANT makes a written request to Class Counsel for the return, rather than the destructions, of Class Data. This obligation is in addition to all obligations to destroy materials set forth in the Stipulation and Protective Order entered into between the parties dated October 31, 2022.

- 13.15 Headings. The descriptive heading of any section of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 13.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 13.17 Notice. All notices, demands or other communications between the Parties in connection with 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, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Danny Yadidsion, Esq.
Labor Law PC
100 Wilshire Blvd., Suite 700, Santa Monica, CA 90401
Danny@LaborLawPC.com

Aparajit Bhowmik, Esq.
Blumenthal, Nordrehaug, Bhowmik, DeBlouw LLP
2255 Calle Clara, La Jolla, CA 92037
aj@bamlawca.com

Mehrdad Bokhour, Esq.
Bokhour Law Group, P.C.
1901 Avenue of the Stars #450
Los Angeles, CA 90067
mehrdad@bokhourlaw.com

Joshua Falakassa, Esq.
Falakassa Law, P.C.
1901 Avenue of the Stars, #450
Los Angeles, CA 90067
josh@falakassalaw.com

To DEFENDANT:

Mia Farber, Esq.
Michael R. Minguet, Esq.
Jackson Lewis P.C.
725 South Figueroa Street
Los Angeles, CA 90017
Mia.Farber@jacksonlewis.com

13.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), 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 if 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.

13.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

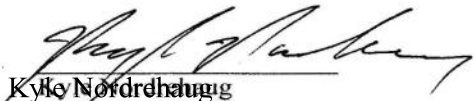
DATED: June 29, 2023

LABOR LAW PC


By: _____
Danny Yadidsion, Esq.
Attorneys for Plaintiffs ALEJANDRO VALENZUELA
and ANGELEIGH MANJARREZ

DATED: June 29, 2023

BLUMENTHAL NORDREHAUG BHOWMIK
DEBLOUW LLP

By: 

Kyle Nordrehaug
Attorneys for Plaintiffs
ALEJANDRO VALENZUELA and
ANGELEIGH MANJARREZ

DATED: June 29, 2023

BOKHOUR LAW GROUP

By: _____
Mehrdad Bokhour
Attorneys for Plaintiff PARIS JONHSON

DATED: June 29, 2023

JACKSON LEWIS, P.C.

By: _____
Mia Farber, Esq.
Michael R. Minguet
Attorneys for Defendant BAMIA 2, LLC

DATED: June 29, 2023

PLAINTIFF ALEJANDRO VALENZUELA

By: 
Alejandro Valenzuela
Plaintiff

DATED: June 29, 2023

PLAINTIFF ANGELEIGH MANJARREZ

By: 
Angeleigh Manjarrez
Plaintiff

DATED: June 29, 2023

PLAINTIFF PARIS JOHNSON

By: _____
Paris Johnson
Plaintiff

DATED: June 29, 2023

BAMIA 2, LLC

By: _____

13.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), 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 if 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.

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DATED: June 29, 2023

LABOR LAW PC

By: 
Danny Yadidsion, Esq.
Attorneys for Plaintiffs ALEJANDRO VALENZUELA
and ANGELEIGH MANJARREZ

DATED: June 29, 2023

BLUMENTHAL NORDREHAUG BHOWMIK
DEBLOUW LLP

By: _____
Kyle Nordrehaug
Attorneys for Plaintiffs
ALEJANDRO VALENZUELA and
ANGELEIGH MANJARREZ

DATED: June 29, 2023

BOKHOUR LAW GROUP

By: 
D8D3643F271940F...
Mehrdad Bokhour
Attorneys for Plaintiff PARIS JONHSON

DATED: June 29, 2023

JACKSON LEWIS, P.C.

By: _____
Mia Farber, Esq.
Michael R. Minguet
Attorneys for Defendant BAMIA 2, LLC

DATED: June 29, 2023

PLAINTIFF ALEJANDRO VALENZUELA

By: _____
Alejandro Valenzuela
Plaintiff

DATED: June 29, 2023

PLAINTIFF ANGELEIGH MANJARREZ

By: _____
Angeleigh Manjarrez
Plaintiff

DATED: June 29, 2023

PLAINTIFF PARIS JOHNSON

By: 
Paris Johnson
Plaintiff

DATED: June 29, 2023

BAMIA 2, LLC

By: _____

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

*Alex Furtado v. REEF Global, Inc., Bamia 2, LLC, and Reef Technology, Inc., Case Number
21STCV37585*

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Bamia 2, LLC (abbreviate name; “DEFENDANT” is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by former DEFENDANT employees Alex Furtado, Alejandro Valenzuela, Angeleigh Manjarrez, and Paris Johnson (“Plaintiffs”) and seeks payment of (1) back wages and other relief for a class of hourly employees (“Class Members”) who worked for DEFENDANT during the Class Period (October 28, 2017, through February 16, 2023); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly employees who worked for DEFENDANT during the PAGA Period (August 4, 2020, through February 16, 2023) (“Aggrieved Employees”).

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

Based on DEFENDANT’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$__ (less withholding) and your Individual PAGA Payment is estimated to be \$_____**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to DEFENDANT’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on DEFENDANT’s records showing that **you worked** _____ **workweeks** during the Class Period and **you worked** _____ **workweeks** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

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

If you worked for DEFENDANT during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

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

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against DEFENDANT that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don’t want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. DEFENDANT must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
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You Can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to DEFENDANT's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former DEFENDANT employees. The Action accuses DEFENDANT of violating California labor laws by failing to provide required meal periods, failing to provide required rest periods, failing to pay overtime wages, failing to pay minimum wages, failing to timely pay wages during employment, failing to pay all wages due to discharged and quitting employees, failing to maintain required records, failing to furnish accurate itemized wage statements, failing to indemnify employees for necessary expenditures incurred in the discharge of duties, and committing unfair and unlawful business practices. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Labor Law PC; Falakassa Law, PC; Bokhour Law Group, P.C.; and Blumenthal Nordrehaug Bhowmik De Blouw LLP ("Class Counsel.")

DEFENDANT strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

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

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

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

1. DEFENDANT Will Pay \$1,400,000 as the Gross Settlement Amount (Gross Settlement). DEFENDANT has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, DEFENDANT will fund the Gross Settlement not more than 14 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$ 466,200 (33 1/3% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$13,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$10,000 as Class Representative Awards for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$15,750.00 to the Administrator for services administering the Settlement.
 - D. Up to \$30,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in

amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiff and DEFENDANT are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to [e.g., interest, etc.] (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. [Option 1: (DEFENDANT will separately pay employer payroll taxes it owes on the Wage Portion.)] The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller’s Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than 60 days, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against DEFENDANT.

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

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and DEFENDANT have agreed that, in either case, the Settlement will be void: DEFENDANT will not pay any money and Class Members will not release any claims against DEFENDANT.
8. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re- mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and DEFENDANT has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against DEFENDANT or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

Upon full funding of the Gross Settlement Amount, the Defendant shall be entitled to a release from the Participating Class Members of all claims that were alleged, or reasonably could have been alleged, based facts stated in the Operative Complaint which occurred during the Class Period and a release from the State of California and Aggrieved Employees of all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, which occurred during the PAGA Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, and California class claims outside of the Class Period, and PAGA claims outside of the PAGA period.

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and DEFENDANT has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against DEFENDANT, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against DEFENDANT or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

Upon full funding of the Gross Settlement Amount, the Defendant shall be entitled to a release from the Participating Class Members of all claims that were alleged, or reasonably could have been alleged, based facts stated in the Operative Complaint which occurred during the Class Period and a release from the State of California and Aggrieved Employees of all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, which occurred during the PAGA Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, and California class claims outside of the Class Period, and PAGA claims outside of the PAGA period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$_____ by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in DEFENDANT's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

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

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as _____, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and DEFENDANT are asking the Court to approve. At least _____ days before the ___ Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website

_____ (url) or the Court's website _____ (url).

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action _____ and include your name, current address,

telephone number, and approximate dates of employment for DEFENDANT and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at (time) in Department 6 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything DEFENDANT and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to _____ (specify entity) 's website at _____ (url). You can also telephone or send an email to the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 21STCV37585. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

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

Settlement Administrator:
ILYM Group, Inc.
lisa@ilymgroup.com
(714) 878-8836
14751 Plaza Drive, Suite J
Tustin, CA 92780

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

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

☐ you should consult the Unclaimed Property Fund _____ for instructions on how to retrieve the funds

11. WHAT IF I CHANGE MY ADDRESS?

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

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EXHIBIT 2

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs Alejandro Valenzuela, Angeleigh Manjarrez, and Paris Johnson (“Plaintiff”), individually and on behalf of all members of the Settlement Class and PAGA employees and Defendant Bamia 2, LLC (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1. “Actions” means the Plaintiffs’ lawsuits alleging wage and hour violations against Defendant captioned: 1) *Alex Furtado v. REEF Global, Inc., Bamia 2, LLC, and Reef Technology, Inc.*, comprising a PAGA action currently pending in the Los Angeles County Superior Court as Case Number 21STCV37585 and *Alex Furtado v. Reef Global Inc. and Bamia 2, LLC* comprising a class action currently pending in the Los Angeles County Superior Court as Case Number 21STCV39813, which were consolidated and are pending before Judge Elihu Berle (the “Furtado Action”) with Case Number 21STCV37585 being the lead case in the Los Angeles County Superior Court; 2) *Paris Johnson v. Bamia 2, LLC, REEF Global, Inc., and REEF Technologies, Inc.*, comprising a class action currently pending in the United States District Court for the Eastern District of California as Case Number 2:22-CV-0058-KJM-AC before District Court Judge Kimberly J. Mueller (the “Johnson Action”); 3) *Alejandro Valenzuela and Angeleigh Manjarrez v. Bamia 2, LLC*, comprising a class action currently pending in the United States District Court for the Northern District of California as Case Number 4:22-CV-03675-HSG before District Court Judge Haywood S. Gilliam; and 4) *Alejandro Valenzuela and Angeleigh Manjarrez v. Bamia 2, LLC*, comprising a PAGA action currently pending in the San Francisco Superior Court as Case Number CGC-22-598896 before Judge Samuel Feng (the Valenzuela and Manjarrez class action and PAGA action are referred to herein collectively as the “Valenzuela Actions”).

1.2. “Administrator” means JLYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4. “Aggrieved Employee” means all persons employed in California by Defendant Bamia 2 LLC as an hourly, non-exempt employee at any time during the period between August 4, 2020, through February 16, 2023.

1.5. “Class” means all individuals who are or were previously employed by Defendant Bamia 2 LLC in California and classified as a non-exempt employee at any time during the period of October 28, 2017, through February 16, 2023.

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- 1.6. “Class Counsel” means [Labor Law PC; Falakassa Law, PC; Bokhour Law Group, P.C.; and Blumenthal Nordrehaug Bhowmik De Blouw LLP](#).
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in [DEFENDANT’s](#) possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English [with a Spanish translation, if applicable] in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12. “Class Period” means the period from [October 28, 2017, through February 16, 2023](#).
- 1.13. “Class Representative” means the named [Plaintiffs](#) in the [First Amended Class and Representative Action Complaint filed](#) in the [Furtado Action on June 8, 2023](#), and seeking Court approval to serve as Class [Representatives](#).
- 1.14. “Class Representative Service Payment” means the payment to the Class [Representatives](#) for initiating the [Actions](#) and providing services in support of the [Actions](#).
- 1.15. “Court” means the Superior Court of California, County of Los Angeles.
- 1.16. “[DEFENDANT](#)” means named Defendant [Bamia 2 LLC](#).
- 1.17. “Defense Counsel” means [Jackson Lewis P.C.](#)
- 1.18. “Effective Date” means the date by when both of the following have occurred:
(a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement;

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and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.

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1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

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1.21. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

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1.22. “Gross Settlement Amount” means ONE MILLION FOUR HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$1,400,000.00), inclusive of attorneys’ fees, costs, enhancement awards, claims administration expenses, and PAGA penalties including payment to the Labor Workforce and Development Agency (“LWDA”), which is the total amount DEFENDANT agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator’s Expenses.

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1.23. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

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1.24. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

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1.25. “Judgment” means the judgment entered by the Court based upon the Final Approval.

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1.26. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

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1.27. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

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1.28. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual

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Class Payments.

- 1.29. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for DEFENDANT for at least one day during the PAGA Period.
- 1.31. “PAGA Period” means the period from August 4, 2020, through February 16, 2023.
- 1.32. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33. “PAGA Notice” means Plaintiff Alex Furtado’s August 3, 2021, letter to DEFENDANT and the LWDA; Plaintiff Paris Johnson’s February 3, 2022 letter to DEFENDANT and the LWDA; and Plaintiffs Alejandro Valenzuela and Angeleigh Manjarrez’s October 14, 2021 letter to DEFENDANT and the LWDA.
- 1.34. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$7,500) and the 75% to LWDA in settlement of PAGA claims (\$22,500).
- 1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36. “Plaintiffs” means Alejandro Valenzuela, Angeleigh Manjarrez, and Paris Johnson, the named plaintiffs in the Actions.
- 1.37. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39. “Released Class Claims” means the claims being released as described in Paragraph 6.2 below.
- 1.40. “Released PAGA Claims” means the claims being released as described in Paragraph 6.2 below.
- 1.41. “Released Parties” means: DEFENDANT and all of its present and former, direct and indirect, parent companies, subsidiaries, owners, divisions, concepts, co-employers, related or affiliated companies (including but not limited to REEF Technologies, Inc. and REEF Global, Inc.), members, officers, directors, employees, agents, attorneys, insurers, re-insurers, successors and assigns, and any individual or entity which could be liable for any of the Released Claims, and Defendant’s counsel of record in the Action.

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1.42. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.43. "Response Deadline" means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

1.44. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.45. "Workweek" means any week during which a Class Member worked for DEFENDANT for at least one day, during the Class Period.

2. RECITALS.

2.1. On October 13, 2021, Plaintiff Alex Furtado commenced this Action by filing a Complaint alleging causes of action against DEFENDANT for violations of PAGA. On October 28, 2021, Furtado filed a class action complaint against Defendant for employment law-related claims arising from the same core nucleus of operative facts in Los Angeles County Superior Court. On February 4, 2022, Plaintiff Paris Johnson ("Johnson") filed a substantially similar class action complaint in Sacramento County Superior Court. On March 25, 2022, Plaintiffs Alejandro Valenzuela and Angeleigh Manjarrez (Valenzuela and Manjarrez") filed a substantially similar class action complaint in San Francisco County Superior Court. On March 25, 2022, Valenzuela and Manjarrez filed a representative action in in San Francisco County Superior Court against Defendant for civil penalties under PAGA arising from the same core nucleus of operative facts as the other Actions. Defendant later removed the Johnson Action and the Valenzuela Class Action to federal court. Tragically, Mr. Furtado died suddenly during the course of the litigation. After the Parties reached an agreement in principle to settle the Actions and seek settlement approval in the first-filed Furtado Action, the Parties agreed and received court approval to substitute Plaintiffs Alejandro Valenzuela, Angeleigh Manjarrez, and Paris Johnson as named plaintiffs in the Furtado Action, and further stipulated and received court approval to file an omnibus First Amended Class and Representative Action Complaint (filed on June 8, 2023) in the Furtado Action, which raised all claims and factual allegations raised in the various Actions.

2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to DEFENDANT and the LWDA by sending the PAGA Notice.

2.3. On November 15, 2022, the Parties participated in an all-day mediation presided over by mediator John Adler, which led to this Agreement to settle the Actions.

2.4. Prior to negotiating the Settlement, Plaintiff obtained, through informal discovery documents, Plaintiff's investigation was sufficient to satisfy the criteria for court

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approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).

2.5. The Court has not granted class certification.

2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, DEFENDANT promises to pay \$1,400,000.00 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. DEFENDANT has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to DEFENDANT.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1. To Plaintiffs: Class Representative Service Payment to each of the Class Representatives of not more than \$10,000.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members). DEFENDANT will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33 1/3%, which is currently estimated to be \$466,200.00 and a Class Counsel Litigation Expenses Payment of not more than \$13,000.00. DEFENDANT will not oppose requests for these payments provided that do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval

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Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds DEFENDANT harmless, and indemnifies DEFENDANT, from any dispute or controversy regarding any division or sharing of any of these Payments. Class Counsel agree to share the Class Counsel Fees Payment as follows: sixty-five percent (65%) to Labor Law PC; twelve and one-half percent (12.5%) to Blumenthal, Nordrehaug, Bhowmik, DeBlouw LLP; eleven and one-quarter percent (11.25%) to Bokhour Law Group, P.C.; and eleven and one-quarter percent (11.25%) to Falakassa Law, P.C. DEFENDANT takes no position on this division of the Class Counsel Fees Payment.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$15,750.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$15,750.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining portion of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$30,000 to be paid from the Gross Settlement Amount, with 75% (\$22,500)

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allocated to the LWDA PAGA Payment and 25% (\$7500) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, DEFENDANT estimates there are 925 Class Members who collectively worked a total of 29,048 Workweeks, and 866 of Aggrieved Employees who worked a total 8,035 of PAGA Pay Periods.

4.2. Class Data. Not later than 30 days after the Court grants Preliminary Approval of the Settlement, DEFENDANT will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. DEFENDANT has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which DEFENDANT must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. DEFENDANT shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay DEFENDANT's share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 14 days after DEFENDANT funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service

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Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate DEFENDANT to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

6. **RELEASES OF CLAIMS.** Effective on the date when DEFENDANT fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

6.1 Plaintiffs' Release. Plaintiffs and their respective former and present spouses,

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representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, and Plaintiffs' PAGA Notices. ("Plaintiffs' Release.") Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now knows or believes to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

6.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, 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.

6.2 Release by Participating Class Members Who Are Not Aggrieved Employees:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint. Except as set forth in Section 6.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

6.3 Release by Non-Participating Class Members Who Are Aggrieved Employees:

All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint, and the PAGA Notice.

7. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

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7.1 DEFENDANT's Declaration in Support of Preliminary Approval. Within 14 days of the full execution of this Agreement, DEFENDANT will prepare and deliver to Class Counsel a signed Declaration from DEFENDANT that shall aver that it is not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

7.2 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (vi) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator.

7.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

7.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

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8. SETTLEMENT ADMINISTRATION.

- 8.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 8.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 8.4 Notice to Class Members.
- 8.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.
- 8.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice with Spanish translation, if applicable, substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 8.4.3 Not later than 3 business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 8.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an

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additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

8.4.5 If the Administrator, DEFENDANT or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

8.5 Requests for Exclusion (Opt-Outs).

8.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

8.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

8.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an

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Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 6.4 of this Agreement and are eligible for an Individual PAGA Payment.

8.6 Challenges to Calculation of Workweeks. Each Class Member shall have 60 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

8.7 Objections to Settlement.

8.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

8.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 60 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

8.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

8.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval

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Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

8.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include provide the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

8.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

8.8.5 Administrator’s Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.

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8.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

9. **CLASS SIZE ESTIMATES** Based on its records, DEFENDANT estimates that, as of the date of this Settlement Agreement, (1) there are 925 Class Members and 29.048 Total Workweeks during the Class period and (2) there were 866 Aggrieved Employees who worked 8,035 Pay Periods during the PAGA Period.

10. **DEFENDANT'S RIGHT TO WITHDRAW**. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, DEFENDANT may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if DEFENDANT withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, DEFENDANT will remain responsible for paying all Settlement Administration Expenses incurred to that point. DEFENDANT must notify Class Counsel and the Court of its election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

11. **MOTION FOR FINAL APPROVAL**. Not later than 16 court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

11.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment,

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Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

11.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

11.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

12. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

13. ADDITIONAL PROVISIONS.

13.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by **DEFENDANT** that any of the allegations in the Operative Complaint have merit or that **DEFENDANT** has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that **DEFENDANT's** defenses in

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the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, DEFENDANT reserves the right to contest certification of any class for any reasons, and DEFENDANT reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest DEFENDANT's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

13.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, DEFENDANT and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, DEFENDANT and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

13.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

13.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

13.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and DEFENDANT, 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 reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

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13.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

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13.7 No Prior Assignments. The Parties separately represent 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 by the Party in this Settlement.

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13.8 No Tax Advice. Neither Plaintiff, Class Counsel, DEFENDANT nor Defense Counsel are providing any 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.

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13.9 Modification of Agreement. This Agreement, 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, and approved by the Court.

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13.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

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13.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

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13.12 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.

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13.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

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13.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by DEFENDANT in connection with the mediation, other settlement negotiations, or in connection with the Settlement, 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 of court. Not later than 30 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and

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electronic versions of Class Data received from DEFENDANT unless, prior to the Court's discharge of the Administrator's obligation, DEFENDANT makes a written request to Class Counsel for the return, rather than the destructions, of Class Data. This obligation is in addition to all obligations to destroy materials set forth in the Stipulation and Protective Order entered into between the parties dated October 31, 2022.

13.15 **Headings.** The descriptive heading of any section of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

13.16 **Calendar Days.** Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

13.17 **Notice.** All notices, demands or other communications between the Parties in connection with 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, or the day sent by email or messenger, addressed as follows:

To Plaintiff: Danny Yadidsion, Esq.
Labor Law PC
100 Wilshire Blvd., Suite 700, Santa Monica, CA 90401
Danny@LaborLawPC.com

Aparajit Bhowmik, Esq.
Blumenthal, Nordrehaug, Bhowmik, DeBlouw LLP
2255 Calle Clara, La Jolla, CA 92037
aj@bamlawca.com

Mehrdad Bokhour, Esq.
Bokhour Law Group, P.C.
1901 Avenue of the Stars #450
Los Angeles, CA 90067
mehrdad@bokhourlaw.com

Joshua Falakassa, Esq.
Falakassa Law, P.C.
1901 Avenue of the Stars, #450
Los Angeles, CA 90067
josh@falakassalaw.com

To DEFENDANT: Mia Farber, Esq.
Michael R. Minguet, Esq.
Jackson Lewis P.C.
725 South Figueroa Street
Los Angeles, CA 90017
Mia.Farber@jacksonlewis.com

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13.18 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), 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 if 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.

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13.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

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DATED: June 30, 2023

LABOR LAW PC

By:


Danny Yadidsion, Esq.
Attorneys for Plaintiffs ALEJANDRO VALENZUELA
and ANGELEIGH MANJARREZ

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→ For

DATED: June 30, 2023

BLUMENTHAL NORDREHAUG BHOWMIK
DEBLOUW LLP

By:

Kyle Nordrehaug
Attorneys for Plaintiffs
ALEJANDRO VALENZUELA and
ANGELEIGH MANJARREZ

DATED: June 30, 2023

BOKHOUR LAW GROUP

By:

Mehrdad Bokhour
Attorneys for Plaintiff PARIS JONHSON

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→ Counsel For

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DATED: June 30, 2023

JACKSON LEWIS, P.C.

By:

Mia Farber, Esq.
Michael R. Minguet
Attorneys for Defendant BAMIA 2, LLC

DATED: June 30, 2023 PLAINTIFF ALEJANDRO VALENZUELA

By: Alejandro Valenzuela
Plaintiff

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DATED: June 30, 2023 PLAINTIFF ANGELEIGH MANJARREZ

By: Angeleigh Manjarrez
Plaintiff

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DATED: June 30, 2023 PLAINTIFF PARIS JOHNSON

By: Paris Johnson
Plaintiff

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DATED: June 30, 2023 BAMIA 2, LLC

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

Alex Furtado v. REEF Global, Inc., Bamia 2, LLC, and Reef Technology, Inc., Case Number 21STCV37585

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

You may be eligible to receive money from an employee class action lawsuit ("Action") against **Bamia 2, LLC** (abbreviate name; "**DEFENDANT**" is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by former **DEFENDANT employees Alex Furtado, Alejandro Valenzuela, Angeleigh Manjarrez, and Paris Johnson ("Plaintiffs")** and seeks payment of (1) back wages and other relief for a class of hourly employees ("Class Members") who worked for **DEFENDANT** during the Class Period (**October 28, 2017, through February 16, 2023**); and (2) penalties under the California Private Attorney General Act ("PAGA") for all hourly employees who worked for **DEFENDANT** during the PAGA Period (**August 4, 2020, through February 16, 2023**) ("Aggrieved Employees").

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

Based on **DEFENDANT's** records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be \$__ (less withholding) and your Individual PAGA Payment is estimated to be \$__.** The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to **DEFENDANT's** records you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.)

The above estimates are based on **DEFENDANT's** records showing that **you worked** _____ **workweeks** during the Class Period and **you worked** _____ **workweeks** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

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

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If you worked for **DEFENDANT** during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

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

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against DEFENDANT that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.
The Opt-out Deadline is _____	You cannot opt-out of the PAGA portion of the proposed Settlement. DEFENDANT must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
Written Objections Must be Submitted by	

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You Can Participate in the Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to DEFENDANT's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.
Written Challenges Must be Submitted by _____	

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former DEFENDANT employees. The Action accuses DEFENDANT of violating California labor laws by failing to provide required meal periods, failing to provide required rest periods, failing to pay overtime wages, failing to pay minimum wages, failing to timely pay wages during employment, failing to pay all wages due to discharged and quitting employees, failing to maintain required records, failing to furnish accurate itemized wage statements, failing to indemnify employees for necessary expenditures incurred in the discharge of duties, and committing unfair and unlawful business practices. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Labor Law PC; Falakassa Law, PC; Bokhour Law Group, P.C.; and Blumenthal Nordrehaug Bhowmik De Blouw LLP ("Class Counsel.")

DEFENDANT strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

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

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

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

1. DEFENDANT Will Pay \$1,400,000 as the Gross Settlement Amount (Gross Settlement). DEFENDANT has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, DEFENDANT will fund the Gross Settlement not more than 14 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$466,200 (33 1/3% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$13,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$10,000 as Class Representative Awards for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$15,750.00 to the Administrator for services administering the Settlement.
 - D. Up to \$30,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in

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amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiff and DEFENDANT are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to [e.g., interest, etc.] (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. [Option 1: (DEFENDANT will separately pay employer payroll taxes it owes on the Wage Portion.)] The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller’s Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than 60 days, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against DEFENDANT.

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

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

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

9. Participating Class Members’ Release. After the Judgment is final and DEFENDANT has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against DEFENDANT or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

Upon full funding of the Gross Settlement Amount, the Defendant shall be entitled to a release from the Participating Class Members of all claims that were alleged, or reasonably could have been alleged, based facts stated in the Operative Complaint which occurred during the Class Period and a release from the State of California and Aggrieved Employees of all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, which occurred during the PAGA Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, and California class claims outside of the Class Period, and PAGA claims outside of the PAGA period.

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and DEFENDANT has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against DEFENDANT, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against DEFENDANT or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

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The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

Upon full funding of the Gross Settlement Amount, the Defendant shall be entitled to a release from the Participating Class Members of all claims that were alleged, or reasonably could have been alleged, based on facts stated in the Operative Complaint which occurred during the Class Period and a release from the State of California and Aggrieved Employees of all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, which occurred during the PAGA Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, and California class claims outside of the Class Period, and PAGA claims outside of the PAGA period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. **Individual Class Payments.** The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. **Individual PAGA Payments.** The Administrator will calculate Individual PAGA Payments by (a) dividing \$ _____ by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. **Workweek/Pay Period Challenges.** The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in DEFENDANT's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

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1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

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

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as _____, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and DEFENDANT are asking the Court to approve. At least _____ days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website

_____ (url) or the Court's website _____ (url).

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action _____ and include your name, current address,

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telephone number, and approximate dates of employment for DEFENDANT and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at (time) in Department 6 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything DEFENDANT and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to _____ (specify entity) _____'s website at _____ (url) _____. You can also telephone or send an email to the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 21STCV37585. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

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

Settlement Administrator:

ILYM Group, Inc.

lisa@ilymgroup.com

(714) 878-8836

14751 Plaza Drive, Suite J

Tustin, CA 92780

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

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

☐ you should consult the Unclaimed Property Fund _____ for instructions on how to retrieve the funds

11. WHAT IF I CHANGE MY ADDRESS?

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

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ⁱ This Model Class Action and PAGA Settlement Agreement has been approved by the Court, the Complex litigation judges, and a 2022 Ad Hoc Wage and Hour Committee co-chaired by Judge David Cunningham and Judge Amy Hogue and comprised of 16 attorneys who regularly represent plaintiffs and defendants in wage and hour case. It is written for settlements of single plaintiff wage and hour actions asserting class claims and PAGA claims against a single employer (XYZ). The parties will need to revise this form if there are multiple plaintiffs or multiple defendants. For settlements of wage and hour class actions that do not include PAGA claims, please use the Model Class Action Settlement Agreement and Class Notice. THE COURT ASKS ALL COUNSEL USING THIS MODEL AGREEMENT TO ATTACH A REDLINED VERSION TO THEIR MOTIONS FOR APPROVAL SO THAT THE COURT CAN EASILY SEE EXACTLY HOW THE PARTIES HAVE MODIFIED THIS MODEL AGREEMENT.[¶]

ⁱⁱ Whether the “date of preliminary approval” yields a fair and adequate payment to Class Members may depend on whether the Class Members, in exchange for their releases of claims, receive consideration for time worked between the date when parties reached a settlement and the date of preliminary approval. The Parties’ *Kullar* analysis must give the Court sufficient information to allow the Court to determine whether the Gross Settlement Amount “represents a reasonable compromise, given the magnitude and apparent merit of the claims being released, discounted by the risks and expenses of attempting to establish and collect on those claims by pursuing the litigation.” (*Luckey v. Superior Court* (2014) 228 Cal.App.4th 81, 94–95, internal quotation marks omitted.)[¶]

ⁱⁱⁱ See endnote ii above.[¶]

^{iv} The Parties may need to tailor this language to pay periods or shifts depending on the facts of the case.[¶]

^v The Parties are free to negotiate a payment plan structure, if appropriate, and payment deadlines may fall earlier as necessary thereto.[¶]

^{vi} Note that this is not the only possible appropriate breakdown depending on the claims at issue in the case (e.g. a settlement that is solely a Labor Code Section 226(a) claim.)[¶]

^{vii} Insert negotiated terms, if any, addressing the possibility that XYZ’s estimates of class size, Workweeks or Pay Periods turn out to be understated such as an ADR clause imposing a duty to engage in good faith negotiations or mediation or an “escalator” clause memorializing XYZ’s promise to increase the Gross Settlement Amount in an agreed upon proportion to the percentage by which the calculated class size, Workweeks, or Pay Periods exceeds XYZ’s estimates.[¶]

^{viii} Releases in Notice should track the releases in the Settlement Agreement.

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Page 4: [24] Formatted Shawn Fields 6/30/23 11:30:00 AM

Right: 1.53 cm, Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.85 cm + Indent at: 1.61 cm

Page 4: [25] Deleted Shawn Fields 6/30/23 11:30:00 AM

1.11.

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1.12.

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1.13.

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1.14.

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1.15.

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1.16.

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Indent: Left: 0.84 cm, Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.85 cm + Indent at: 1.61 cm

Page 5: [30] Formatted Shawn Fields 6/30/23 11:30:00 AM

List Paragraph, Indent: Left: 0.85 cm, Hanging: 1.9 cm, Right: 0 cm, Space Before: 4.6 pt, Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.85 cm + Indent at: 1.61 cm, Tab stops: 2.75 cm, Lef

Page 5: [31] Deleted Shawn Fields 6/30/23 11:30:00 AM

1.17.

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Page 5: [33] Deleted Shawn Fields 6/30/23 11:30:00 AM

1.18.

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Font: Times New Roman, 12 pt, Condensed by 0.1 pt, Not Raised by / Lowered by

Page 5: [35] Formatted Shawn Fields 6/30/23 11:30:00 AM

Font: Times New Roman, 12 pt, No underline, Raised by 1 pt

Page 6: [36] Formatted Shawn Fields 6/30/23 11:30:00 AM

Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.85 cm + Indent at: 1.61 cm

Page 6: [37] Formatted Shawn Fields 6/30/23 11:30:00 AM

Outline numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.21 cm + Indent at: 0.85 cm

Page 6: [38] Formatted Shawn Fields 6/30/23 11:30:00 AM

Indent: Left: 0.84 cm, Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.85 cm + Indent at: 1.61 cm

Page 6: [39] Formatted Shawn Fields 6/30/23 11:30:00 AM

Indent: Left: 0.84 cm, Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.85 cm + Indent at: 1.61 cm

Page 6: [40] Formatted Shawn Fields 6/30/23 11:30:00 AM

List Paragraph, Indent: Left: 1.48 cm, Hanging: 0.89 cm, Right: 0.78 cm, Space Before: 0 pt, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: -0.17 cm + Indent at: 2.37 cm, Tab stops: 4.02 cm,

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Page 6: [42] Formatted Shawn Fields 6/30/23 11:30:00 AM

Indent: Left: 1.48 cm, Hanging: 0.89 cm, Outline numbered + Level: 3 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: -0.17 cm + Indent at: 2.37 cm

Page 7: [43] Deleted Shawn Fields 6/30/23 11:30:00 AM

Page 8: [44] Deleted Shawn Fields 6/30/23 11:30:00 AM

Page 11: [45] Deleted Shawn Fields 6/30/23 11:30:00 AM

Page 13: [46] Deleted Shawn Fields 6/30/23 11:30:00 AM

Page 14: [47] Deleted Shawn Fields 6/30/23 11:30:00 AM

Page 15: [48] Deleted Shawn Fields 6/30/23 11:30:00 AM

Page 16: [49] Formatted Shawn Fields 6/30/23 11:30:00 AM

Indent: Left: 0.84 cm, Hanging: 0.76 cm, Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: -0.3 cm + Indent at: 1.61 cm

Page 17: [50] Deleted Shawn Fields 6/30/23 11:30:00 AM

Page 18: [51] Deleted Shawn Fields 6/30/23 11:30:00 AM

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Body Text, Line spacing: Multiple 0.06 li

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Font: 10 pt

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Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.85 cm + Indent at: 1.48 cm

Page 29: [56] Formatted Shawn Fields 6/30/23 11:30:00 AM

List Paragraph, Right: 0 cm, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.85 cm + Indent at: 1.48 cm, Tab stops: 1.48 cm, Left + Not at 7.41 cm

Page 29: [57] Deleted Shawn Fields 6/30/23 11:30:00 AM

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Indent: Left: 0.84 cm, Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.85 cm + Indent at: 1.48 cm

Page 29: [59] Formatted Shawn Fields 6/30/23 11:30:00 AM

Indent: Left: 1.27 cm, Right: 1.27 cm, Space Before: 0.05 pt

Page 29: [60] Deleted Shawn Fields 6/30/23 11:30:00 AM

Page 29: [61] Deleted Shawn Fields 6/30/23 11:30:00 AM

Page 29: [62] Deleted Shawn Fields 6/30/23 11:30:00 AM

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Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.85
cm + Indent at: 1.48 cm