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Attorneys for Plaintiff and the Class

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO**

AMY OROZCO, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

BETTS COMPANY, a California
corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No.: 34-2021-00309846

(Assigned to the Hon. Lauri A. Damrell, Dept. 28)

**DECLARATION OF NICHOLAS
ROSENTHAL IN SUPPORT OF
PLAINTIFF'S MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: May 5, 2023

Time: 9:00 a.m.

Dept.: 28

Reservation No.: 2713039

Complaint Filed: October 15, 2021

FAC Filed: December 27, 2021

SAC Filed: March 9, 2022

Trial Date: Not Set

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I, Nicholas Rosenthal, declare as follows:

1. I am an attorney at law, duly licensed to practice before all Courts in the State of California, and am with the law firm Diversity Law Group, counsel of record for Plaintiff Amy Orozco (“Plaintiff”). I have personal knowledge of the facts set forth below and if called to testify I could and would do so competently.

2. On September 27, 2021, Plaintiff submitted written notice to the California Labor and Workforce Development Agency (“LWDA”), alleging violations of Labor Code §§ 201-204, 226, 226.7, 246, and 512, pursuant to the Private Attorneys General Act (“PAGA”), Labor Code § 2699 (“PAGA Notice”).

3. On October 15, 2021, Plaintiff filed a class action complaint against Defendant Betts Company (“Defendant”) in the Sacramento County Superior Court, alleging three causes of action for: (1) violation of Labor Code § 226; (2) violation of Labor Code §§ 226.7 and 512; and (3) violation of Labor Code §§ 201-204 and 246. Defendant filed its Answer on or about December 22, 2021.

4. On December 27, 2021, Plaintiff filed a first amended complaint to add a fourth cause of action for violation of Labor Code § 2698, *et seq.*

5. On February 22, 2022, the Parties submitted a joint stipulation granting Plaintiff leave to file a second amended complaint to add a cause of action for violation of Business and Professions Code § 17200, *et seq.* The second amended complaint was filed on March 9, 2022. The second amended complaint is the operative Complaint (“Complaint”).

6. Plaintiff's class and PAGA claims as pled in the Complaint are predicated upon the following allegations. With respect to Plaintiff's claims under Labor Code §§ 226.7 and 512, Plaintiff alleges that Defendant failed to pay meal and rest period premiums at the correct regular rate of pay. In this regard, Plaintiff contends that Defendant failed to factor non-discretionary remuneration, including "Opt-Out" wages, into the calculation of the regular rate for purposes of paying meal and rest period premiums, and thus Plaintiff and employees were underpaid meal and rest period premiums.

1 7. Likewise, when Plaintiff and employees received sick pay wages, Defendant
2 failed to pay such wages at the correct regular rate of pay. Plaintiff contends that Defendant
3 failed to factor non-discretionary remuneration, including “Opt-Out” wages, into the calculation
4 of the regular rate for purposes of paying sick pay wages, and thus Plaintiff and employees were
5 underpaid sick pay wages.

6 8. Plaintiff also alleges derivative and independent wage statement claims under
7 Labor Code § 226(a). Specifically, as a result of the regular rate claims, Plaintiff asserts that the
8 corresponding wage statements issued to Plaintiff and other employees failed to identify the
9 required information under Labor Code § 226(a). With respect to the independent 226(a) claim,
10 Plaintiff asserts that Defendant issued inaccurate wage statements whenever “Opt-Out OT”
11 wages were paid. In this regard, whenever “Opt-Out OT” wages were paid, Defendant allegedly
12 failed to list the applicable rate of pay and corresponding hours worked on wage statements in
13 violation of Labor Code § 226(a). As a result of these alleged violations, Plaintiff seeks unpaid
14 wages, waiting time penalties, statutory penalties, and civil penalties under the California Labor
15 Code and PAGA, as well as attorneys’ fees and costs.

16 9. After Plaintiff filed the operative Complaint, the Parties agreed to participate in
17 private mediation. In connection with mediation, the Parties agreed to conduct informal
18 discovery to allow Plaintiff to assess the claims and liability, as well as analyze the maximum
19 exposure of damages and penalties. Defendant produced class data, including data pertaining to
20 the number of putative class members, the hourly rates of pay, number of workweeks, payroll
21 data for the putative class, and pertinent policies regarding meal and rest periods, Opt-Out pay,
22 and sick leave. Plaintiff reviewed the data and records and performed an analysis of Defendant’s
23 maximum liability.

24 10. On September 24, 2022, the Parties engaged in a full-day mediation with mediator
25 Tripper Ortman, Esq. After thorough investigation and evaluation of the facts and claims, and
26 negotiations with the assistance of Mr. Ortman, the Parties and their counsel reached a settlement
27 and entered into a memorandum of understanding. In resolution of Plaintiff’s class and PAGA
28 claims, the Parties entered into the Joint Stipulation of Class Action and PAGA Settlement and

1 Release (“Stipulation” or “Settlement Agreement”), a true and correct copy of which is attached
2 hereto as **Exhibit A**.

3 11. The Parties recognize the risk, expense, and delay in continuing litigation with the
4 class and PAGA claims, and believe the Settlement to be fair, reasonable, and adequate.

5 12. Each side has apprised the other of their respective factual contentions, legal
6 theories, and defenses, resulting in negotiations taking place between the Parties.

7 13. Based on the class data provided by Defendant, Plaintiff estimated that Defendant
8 would face potential liability of up to approximately \$234,950 for Plaintiff’s class claims if
9 Plaintiff succeeded at trial. Rosenthal Decl. Plaintiff was able to estimate the potential class
10 penalties based on class data provided by Defendant. Specifically, for Plaintiff’s wage statement
11 claim, 72 employees received a total of 1,392 wage statements containing payments for “opt-
12 out” wages. This amounts to \$135,600 in penalties under Labor Code Section 226(e). Further
13 penalties under Section 226(e) for wage statements in which employees received “opt-out”
14 wages and either meal/rest premiums or sick pay wages amount to \$24,400.

15 14. Additionally, penalties under Labor Code Section 203 amount to \$74,949.80
16 based on 17 separated employees (who received “opt-out” wages and meal/rest premiums or sick
17 pay wages in the same pay period) with an average hourly rate of \$18.37. Rosenthal Decl. ¶14.

18 15. With respect to potential liability of Plaintiff’s PAGA claims, Plaintiff estimated
19 that Defendant could face civil penalties of up to a maximum \$165,300 if Plaintiff were
20 successful at trial on all claims. However, even assuming Plaintiff ultimately prevails on her
21 PAGA claims, the Court still has discretion to reduce any PAGA penalties.

22 16. The total amount of class and PAGA penalties amount to approximately
23 \$400,250, without discounting for potentially losing on any of the causes of action. The Gross
24 Settlement Amount is \$90,000.00, which is approximately **22.5%** of the maximum class and
25 PAGA penalties.

26 17. Although Plaintiff believes in the merits of the alleged claims and maintains that
27 there is no reason for reducing PAGA penalties, Plaintiff is aware that Defendant may raise
28 defenses to the claims and further with respect to the reduction of PAGA penalties and that it

1 could be persuasive to the Court. The Gross Settlement Amount was premised with this risk in
2 mind, associated with the possibility of the Court significantly reducing Plaintiff's PAGA
3 penalties, along with other attendant risks, even if Plaintiff was to prevail at trial.

4 18. Further, Defendant raised several defenses that presented risk as to liability on the
5 claims. The primary defense was that the vast majority of the class signed arbitration agreements.
6 Plaintiff's counsel reviewed the arbitration agreements and agrees that there is a significant
7 likelihood they would be enforced by the Court. Assuming that the arbitration agreements were
8 enforced, total potential class liability would drop from \$234,950 to \$75,528.

9 19. Although Plaintiff believes that the class can be certified, Plaintiff also believes in
10 the fairness of the settlement that is based on factoring in the uncertainty and risks to Plaintiff
11 involved in not prevailing on one or more of the causes of action or theories alleged in the
12 operative Complaint, the possibility of non-certification, and the potential for appeals.

13 20. Pursuant to the Settlement Agreement, the Net Settlement Amount will be
14 apportioned among the Class Members on a pro rata basis, based on the number of weeks
15 worked by each respective Participating Class Member during the Class Period, as compared to
16 the total number of weeks worked by all Participating Class Members during the Class Period.
17 See Stipulation ¶ 50. Based thereon, on a raw average, each Class Member may potentially
18 recover approximately \$313.33. The amount actually paid to each Class Member may increase or
19 decrease depending on the actual number of weeks worked during the Class Period and the
20 number of opt-outs received.

21 21. Attached hereto as **Exhibit B** is a true and correct copy of the proposed Notice of
22 Class Action Settlement ("Notice Packet") to be sent to Class Members.

23 22. Additionally, as part of the PAGA Payment, 25% of the PAGA Payment, or
24 \$1,250.00, shall be paid to Class Members who worked during the PAGA Period (September 20,
25 2020, through October 31, 2022), on a pro rata basis, based on the number of weeks worked by
26 each Class Member during the PAGA Period as compared to the total number of weeks worked
27 by all Class Members during the PAGA Period. Stipulation ¶ 49.

28 23. The Settlement Agreement provides for the payment to the Settlement

1 Administrator for the administration of this current settlement. Plaintiff obtained several quotes
2 from highly respected class action administrators. The lowest quote received was from Phoenix
3 Settlement Administrators for a capped fee of \$6,500.00 to administer the settlement.

4 24. The terms of the Settlement provide that uncashed checks (upon the expiration
5 date) shall be distributed to the Boys and Girls Clubs of Fresno County, a non-profit organization
6 that provides social and educational programs for youth development, in accordance with
7 California Civil Procedure § 384. *See* Stipulation ¶ 68. Plaintiff's Counsel does not have any
8 relationship with or connection to said organization.

9 25. Pursuant to the Settlement Agreement, the Settlement Administrator will
10 calculate, and Defendant will separately pay, the amount of employer-side payroll taxes on the
11 wage portion of the Individual Settlement Payments.

12 26. Based on their own independent investigation and evaluation, the Parties and their
13 respective counsel are of the opinion that settlement for the consideration and on the terms set
14 forth in the Settlement Agreement is fair, reasonable, and adequate and is in the best interests of
15 the Class and Defendant in light of all known facts and circumstances and the expenses and risks
16 inherent in litigation.

17 27. From the inception of the case, Class Counsel has zealously represented the
18 interests of the Class. Class Counsel engaged in significant meet and confer discussions with
19 opposing counsel to obtain informal data and documents and to discuss the merits of the claims
20 on behalf of the Class. This Settlement was obtained for the benefit of the Class, as opposed to
21 the individual Class Representative.

22 28. I have spent significant time researching and pursuing the claims that have been
23 alleged in this action. The Parties engaged in informal discovery in connection with mediation
24 and participated in the exchange of class data and Defendant's pertinent policies and practices.
25 Based on my review of all the documents and information, and based on my experience in class
26 action litigation, I believe this settlement to be fair, adequate, and reasonable.

27 29. I was retained based upon a contingency fee arrangement wherein Plaintiff's
28 counsel agreed to advance all costs and receive no fee unless a recovery was accomplished.

Specifically, had Plaintiff failed to prevail in this case, counsel for Plaintiff would have spent a significant amount of time, money and other resources without any benefit or return. In addition, had Plaintiff also failed to prevail in the present case, Defendant would have been able to seek costs in connection with their defense of the case.

30. I am one of the primary attorneys on this matter. My qualifications are as follows: I received my JD from University of Southern California Gould School of Law in 2009. Upon graduation, I practiced law as an associate at Seyfarth Shaw LLP, representing corporate clients in both single-plaintiff and wage hour class actions. In 2014, I began as an associate at Diversity Law Group.

31. I have handled a number of wage and hour matters including class actions and multiple-plaintiff actions. I have been named as Class Counsel in a number of class actions that have been granted certification or preliminary or final approval by the Superior Courts of Los Angeles County, Orange County, Alameda County, and Monterey County, the United States District Court for the Central District of California, and the United States District Court for the Northern District of California. These cases include, but are not limited to: *Diller v. Under Armour Retail, Inc.*, Santa Clara County Superior Court Case No. 114-CV-265729, *Lopez v. Imperial Body Shop, Inc.*, Orange County Superior Court Case No. Case No. 30-2015-00816193-CU-OE-CXC, *Hughes v. Lincare, Inc., et al.*, Monterey County Superior Court Case No. M124764, *Pittman v. Martinez Steel Corporation*, San Bernardino County Superior Court Case No. CIVDS1823132, *Della Maggiora v. Watsonville Community Hospital*, Santa Cruz County Superior Court Case No. 18CV00191, *Randolph v. Pacific Racing Association*, Alameda County Superior Court Case No. RG18908139, *Morones v. Bimbo Bakeries USA, Inc.*, Sacramento County Superior Court Case No. 34-2018-00245481-CU-OE-GDS *Foaad Hanna v. Equinix, LLC*, Santa Clara County Superior Court Case No. 18CV339365; *Alicia Harris v. 24 Seven LLC*, Los Angeles County Superior Court Case No. BC720144; *Markham v. Quik Stop Markets, Inc.*, Santa Clara Superior Court Case No.19CV341582; *Siron v. Raypak, Inc.*, Ventura Superior Court Case No. 56-2019-005279959-CU-OE-VTA; *Carter v. Kline Services, Inc.*, San Bernardino Superior Court Case No. CIVDS1828867, *Pascual v. Satellite Healthcare, Inc.*,

1 Santa Clara County Superior Court Case No. 19CV345211; *Carrillo v. New Balance Athletics,*
2 *Inc.*, Santa Clara County Superior Court Case No. 19CV352469; *Vogel v. Veolia North America,*
3 *LLC*, Monterey County Superior Court Case No. 19CV001443; *Holman v. American Sugar*
4 *Refining, Inc.*, Contra Costa County Superior Court Case No. MSC18-00415; *Chavez v.*
5 *Converse, Inc.*, United States District Court – Northern District of California Case No. 15-cv-
6 03746-NC, and *Rodriguez v. Nike Retail Services, Inc.*, United States District Court – Northern
7 District of California Case No. 5:14-CV-1508 BLF.

8 32. My co-counsel and I will adequately represent the Class Members in this action.
9 Plaintiff's Counsel have and will zealously represent Plaintiff and the Class and pursue this
10 lawsuit to its conclusion. I have no conflicts with the Class and will adequately represent the
11 Class.

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

14 Executed on this 13th day of April 2023, at Los Angeles, California.

15
16 
Nicholas Rosenthal

EXHIBIT A

Larry W. Lee (State Bar No. 228175)
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AMY OROZCO, as an individual and on
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Case No.: 34-2021-00309846

(Assigned to the Hon. Lauri A. Damrell, Dept. 28)

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

Complaint Filed:	October 15, 2021
FAC Filed:	December 27, 2021
SAC Filed:	March 9, 2022
Trial Date:	Not Set

DEFINITIONS

5. “Class Counsel” means Larry W. Lee, Kristen M. Agnew, and Nicholas Rosenthal of Diversity Law Group, P.C., and Kelsey A. Webber and Shaelyn A. Stewart of Webber Law Group.

6. "Class Counsel Fees and Costs" means such award of fees and costs and expenses as the Court may authorize to be paid to Class Counsel for the services they have rendered and will render to Plaintiff and the Class in the Action. Defendant agrees not to oppose Class Counsel Fees and Costs of up to one-third (1/3) of the Gross Settlement Amount (\$90,000.00), *i.e.*, the sum of Thirty Thousand Dollars (\$30,000.00), and costs in the amount of up to Twenty Thousand Dollars (\$20,000.00), subject to Court approval. Any portion of the Class Counsel Fees and Costs not awarded to Class Counsel shall be added to the Net Settlement Amount.

7. "Class List and Data" means information regarding all Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator after Preliminary Approval of this Settlement. The Class List shall be formatted as a Microsoft Excel spreadsheet or equivalent and shall include each Class Member's full name, most recent mailing address, employee number, Social Security Number, the number of weeks he/she worked during the Class Period, and the number of weeks he/she worked during the PAGA Period, based on the Defendant's records.

8. "Class Period" means the period from May 21, 2020, through October 31, 2022.

9. "Class Representative" or "Plaintiff" means Plaintiff Amy Orozco.

10. "Class Representative Enhancement Award" or "Enhancement Award" means the amount that the Court authorizes to be paid to Plaintiff, in addition to her Individual Settlement Payment, in recognition of her efforts and risks in assisting with the prosecution of the Action, including communicating with Class Counsel regarding the claims in the Action, reviewing the pleadings and documents in the Action, and for executing a general release including a Civil Code Section 1542 waiver. Subject to the Court granting final approval, the Parties agree that Defendant will not oppose Plaintiff being paid up to Five Thousand Dollars (\$5,000.00) from the Gross Settlement Amount as her Enhancement Award. Any portion of the Enhancement Award not awarded to the Class Representative shall be added to the Net Settlement Amount.

11. "Complaint" means the operative Second Amended Representative and Class Action Complaint filed by Plaintiff Amy Orozco in this Action on March 9, 2022.

12. "Counsel for Defendant" or "Defense Counsel" means Ian B. Wieland and

Amanda K. Miller of the law firm Sagaser, Watkins & Wieland, PC.

13. "Court" means the Superior Court for the State of California, County of Sacramento, or any other court taking jurisdiction of the Action.

14. "Defendant" means Defendant Betts Company.

15. "Effective Date" means: (1) the date the Court grants Final Approval if no valid objections have been filed; (2) if one or more valid objections have been filed but no appellate proceedings have been initiated, thirty (30) days after the date the Court enters an order granting final approval of the Settlement; or (3) if one or more valid objections have been filed, and an appeal, writ, or other appellate proceeding has been initiated, the date on which any appeal, writ, or other appellate proceedings has been finally and conclusively dismissed with no right to pursue further remedies or relief. If the Court does not enter Final Approval approving the Settlement pursuant to this Agreement, or if the Final Approval is reversed on Appeal, then either Party shall have the right to reject the Settlement and this Agreement shall become null and void as provided in Paragraph 75.

16. "Final Approval" means that the Final Approval Order and Judgment has been entered by the Court approving the Settlement pursuant to this Agreement. The Final Order and Judgment shall constitute final approval of the Settlement pursuant to California Rules of Court, Rule 3.769(a) and a judgment pursuant to California Rules of Court, Rule 3.769(h) (the "Judgment"). The Judgment shall include a provision for the retention of the Court's jurisdiction over the Parties to enforce the terms of the Judgment.

17. "Gross Settlement Amount" means the maximum amount of Ninety Thousand Dollars (\$90,000.00) to be paid by Defendant (excluding any appropriate and lawfully required employer-side payroll taxes owed by Defendant on such payments for which Defendant shall be separately responsible apart from the Gross Settlement Amount) after the Effective Date pursuant to Paragraph 15 as a result of this Agreement. The Gross Settlement Amount includes all Individual Settlement Payments to Participating Class Members (including the individual PAGA Payments), the Class Representative Enhancement Award to Plaintiff, Settlement Administration Costs to the Settlement Administrator, PAGA Payment to the LWDA, and Class

1 Counsel Fees and Costs. The Gross Settlement Amount is non-reversionary, such that no portion
2 of the Gross Settlement Amount shall revert back to Defendant.

3 18. "Individual Settlement Payment" means the amount payable from the Net
4 Settlement Amount to each Participating Class Member.

5 19. "Net Settlement Amount" means the balance of the Gross Settlement Amount
6 remaining after deduction of the approved Class Representative Enhancement Award, Settlement
7 Administration Costs, PAGA Payment, and Class Counsel Fees and Costs. The entire Net
8 Settlement Amount will be available for distribution to Participating Class Members.

9 20. "Notice of Objection" means a Class Member's written objection to the
10 Settlement. A valid Notice of Objection should include: (a) the objector's full name and
11 signature; (b) a written statement of basis for the objection; and (c) any copies of papers, briefs,
12 or documents upon which the objection is based, if any. The Notice of Objection must be
13 returned by mail and/or fax to the Settlement Administrator at the specified address/facsimile
14 indicated in the Notice Packet, and should be postmarked and/or fax stamped on or before the
15 Response Deadline.

16 21. "Notice Packet" means the Notice of Class Action Settlement, substantially in the
17 form attached as **Exhibit A**, as approved by the Court.

18 22. "PAGA Payment" means the portion of the Gross Settlement Amount that the
19 Parties have agreed will be allocated to resolve all claims, penalties, and remedies under the
20 Private Attorneys General Act of 2004, Cal. Lab. Code § 2698, *et seq.* ("PAGA"). The amount
21 of the PAGA Payment is subject to Court approval pursuant to California Labor Code § 2699(l).
22 The Parties have agreed that Five Thousand Dollars (\$5,000.00) of the Gross Settlement Amount
23 shall be allocated to the resolution of any Class Members' claims arising under PAGA. Pursuant
24 to the PAGA, seventy-five percent (75%), *i.e.*, the sum of Three Thousand Seven Hundred Fifty
25 Dollars (\$3,750.00), of the PAGA Payment shall be paid to the California Labor and Workforce
26 Development Agency ("LWDA"), and 25%, *i.e.*, the sum of One Thousand Two Hundred Fifty
27 Dollars (\$1,250.00), of the PAGA Payment shall be distributed to Aggrieved Employees who
28 worked during the PAGA Period pursuant to Paragraph 50.

23. "PAGA Period" means the period from September 20, 2020, through October 31, 2022.

24. "Parties" means Plaintiff, on behalf of herself, Class Members, and Aggrieved Employees, and Defendant collectively.

25. "Participating Class Members" means all Class Members who do not opt out of the settlement by submitting a valid and timely Request for Exclusion and who have not entered into an individual general release of claims prior to Final Approval.

26. "Preliminary Approval" means the Court's order granting preliminary approval of the Settlement.

27. "Released Claims" means all claims, including penalties, interest, damages, liquidated damages, costs, and attorneys' fees related thereto, that were or could have been brought under the facts and allegation made in the operative Second Amended Complaint for violation of Labor Code §§ 201, 202, 203, 204, 226, 226.7, 246, and 512 that accrued during the Class Period.

28. "Released PAGA Claims" means all claims for penalties under the California Private Attorneys General Act, including interest, damages, liquidated damages, costs, and attorneys' fees related thereto, predicated on the violation of Labor Code §§ 201, 202, 203, 204, 226, 226.7, 246, and 512 that accrued during the PAGA Period and were or could have been alleged in the operative Second Amended Complaint.

29. "Released Parties" means Defendant, together with their present and former parents, subsidiaries, affiliated and related entities, present and former owners, boards, officers, directors, trustees, shareholders, members, partners, employees, agents, insurers, attorneys, representatives, heirs, executors, administrators, successors, and assigns.

30. "Request for Exclusion" means a timely written request submitted by a Class Member indicating a request to be excluded from the Settlement. The Request for Exclusion must: (a) contain the case name and number of the Action; (b) contain the full name, address, and telephone number of the Class Member requesting exclusion; (c) clearly state that the Class Member does not wish to be included in the settlement; (d) be returned by mail and/or fax to the

1 Settlement Administrator at the specified address and/or facsimile indicated in the Notice Packet;
2 and (e) be postmarked and/or fax stamped on or before the Response Deadline. The date of the
3 postmark on the return envelope or fax stamp on the submission will be the exclusive means to
4 determine whether a Request for Exclusion has been timely submitted.

5 31. "Response Deadline" means sixty (60) days after the Settlement Administrator
6 initially mails the Notice Packet to Class Members, and the last date on which Class Members
7 may submit Request(s) for Exclusion and/or written objections to the Settlement.

8 32. "Settlement" means the agreement among the Parties to resolve the Action, as set
9 forth in this Stipulation.

10 33. "Settlement Administrator" means Phoenix Settlement Administrators.

11 34. "Settlement Administration Costs" means the fees and expenses reasonably
12 incurred by the Settlement Administrator as a result of the procedures and processes expressly
13 required by this Agreement, which are estimated not to exceed Six Thousand Five Hundred
14 Dollars (\$6,500.00). Any portion of the Settlement Administration Costs not used or approved
15 by the Court shall be added to the Net Settlement Amount.

16 35. "Settlement Payment Check" means the payment to Participating Class Members
17 pursuant to this Settlement who do not submit a valid Request for Exclusion from the Settlement,
18 which shall be mailed fifteen (15) business days after Defendant's funding the Gross Settlement
19 Amount as set forth in Paragraph 67.

20 RECITALS

21 36. This Settlement is made and entered into by and between Plaintiff and Defendant,
22 and is subject to the terms and conditions hereof, and to the Court's approval. The Parties
23 expressly acknowledge that this Agreement is entered into solely for the purpose of
24 compromising significantly disputed claims and that nothing herein is an admission of liability or
25 wrongdoing by Defendant. Defendant denies that it is liable to Plaintiff or the Class Members
26 for any of the claims alleged in the Action and denies that it has violated any law.

27 37. On September 27, 2021, Plaintiff filed a notice with the Labor & Workforce
28 Development Agency ("LWDA") alleging that Defendant violated Labor Code §§ 201-204,

226(a), 226.7, 246, and 512, pursuant to Labor Code § 2699.

38. On October 15, 2021, Plaintiff filed a class action complaint in Sacramento County Superior Court (the “Action”). The complaint alleges the following causes of action: (1) violation of Labor Code §§ 226; (2) violation of Labor Code §§ 226.7 and 512; and (3) violation of Labor Code § 201-204 and 246.

39. On December 27, 2021, Plaintiff amended the initial complaint to add a cause of action for violation of Labor Code § 2698, *et seq.*, the Private Attorneys General Act (“PAGA”).

40. On March 9, 2022, Plaintiff filed a Second Amended Complaint, adding a cause of action for violation of Business and Professions Code § 17200, *et seq.* The Second Amended Complaint is the operative Complaint (“Complaint”). As alleged in the operative Complaint, Plaintiff seeks to represent the Class and other aggrieved employees. Plaintiff further seeks penalties, attorneys’ fees, and costs.

41. After the filing of the operative Complaint, the Parties agreed to participate in private mediation. In connection with mediation, the Parties agreed to conduct informal discovery. Defendant produced class data, including the number of putative class members, the hourly rates of pay, number of workweeks, payroll data for the putative class, and pertinent policies regarding Opt-Out pay, sick pay, and meal and rest periods. The data and information pertaining to the putative class size allowed Plaintiff to analyze liability and exposure in this case and calculate the maximum class and PAGA penalties.

42. On September 14, 2022, the Parties engaged in an all-day mediation session with Tripper Ortman, Esq. After extended negotiations facilitated by Mr. Ortman, Plaintiff and Defendant reached a class-wide settlement agreement. The Parties then entered into a Memorandum of Understanding, which provides for the Parties to enter into this Agreement to replace the Memorandum of Understanding.

43. The Parties recognize the risk, expense, and delay in continuing the Action, and therefore believe the Settlement to be fair, reasonable, and adequate. Accordingly, the Parties desire to settle, compromise, and discharge all disputes and claims arising from or relating to the

1 Action.

2 **TERMS OF AGREEMENT**

3 44. Settlement Consideration. Defendant shall pay the sum of the Gross Settlement
4 Amount of Ninety Thousand Dollars (\$90,000.00) as specified in this Agreement in connection
5 with this Settlement (excluding any appropriate and lawfully required employer-side payroll
6 taxes owed by Defendant with regard to the Individual Settlement Payments, for which
7 Defendant shall be separately responsible apart from the Gross Settlement Amount), which shall
8 be used to pay: (1) Individual Settlement Payments; (2) Class Counsel Fees and Costs; (3) Class
9 Representative Enhancement Award; (4) Settlement Administration Costs to the Settlement
10 Administrator; and (5) the PAGA Payment (including LWDA payment). The Parties agree that
11 this is a non-reversionary "common fund" Settlement such that no portion of the Gross
12 Settlement Amount shall revert to Defendant. In no event shall Defendant be required to pay
13 more than the Gross Settlement Amount as specified in this Agreement.

14 45. Funding of the Gross Settlement Amount. Within twenty (20) business days after
15 the Effective Date, Defendant shall deposit the Gross Settlement Amount into a Qualified
16 Settlement Fund ("QSF") to be established by the Settlement Administrator, from which the
17 Settlement Administrator will have authority to distribute money in accordance with the terms of
18 this Settlement Agreement. The QSF shall be a "Qualified Settlement Fund" within the meaning
19 of Section 468B of the Internal Revenue Code of 1986, as amended, and Treas. Reg. Section
20 1.468B-1, *et seq.* The Settlement Administrator shall request and obtain from the IRS an
21 appropriate Tax ID for the QSF and shall act as a fiduciary with respect to the handling,
22 management and distribution of the funds in a manner necessary to qualify and maintain the QSF
23 as a "Qualified Settlement Fund" as provided by law.

24 46. Class Counsel Fees and Costs. Defendant agrees not to oppose or impede any
25 application or motion by Class Counsel for attorneys' fees of up to one-third (1/3) of the Gross
26 Settlement Amount, *i.e.*, the sum of Thirty Thousand Dollars (\$30,000.00), and reimbursement
27 of litigation costs in the amount of up to Fifteen Thousand Dollars (\$15,000.00), subject to Court
28 approval and which shall be paid from the Gross Settlement Amount. The Settlement

1 Administrator shall issue an IRS Form 1099 to Class Counsel reflecting the awarded attorneys'
2 fees, costs, and expenses. Any portion of the Class Counsel Fees and Costs not approved by the
3 Court shall be added to the Net Settlement Amount and shall be distributed to Class Members as
4 provided in this Agreement.

5 47. Class Representative Enhancement Award. Defendant agrees not to oppose or
6 impede any application or motion by Plaintiff for a Class Representative Enhancement Award of
7 up to Five Thousand Dollars (\$5,000.00) to Plaintiff, in recognition of her efforts and risks in
8 assisting with the prosecution of the Action on behalf of Class Members, including
9 communicating with Class Counsel regarding the claims in the Action, reviewing the pleadings
10 and documents in the Action, and for executing a general release including a Civil Code Section
11 1542 waiver. The Class Representative Enhancement Award shall be paid from the Gross
12 Settlement Amount and shall be paid in addition to Plaintiff's Individual Settlement Payment as
13 a Participating Class Member. The Settlement Administrator shall issue an IRS Form 1099 to
14 Plaintiff reflecting the Class Representative Enhancement Award. Any portion of the Class
15 Representative Enhancement Award not awarded to Plaintiff by the Court shall be added to the
16 Net Settlement Amount and shall be distributed to Class Members as provided in this
17 Agreement.

18 48. Settlement Administration Costs. The Settlement Administrator shall be paid for
19 the reasonable costs of administration of the Settlement from the Gross Settlement Amount,
20 currently estimated not to exceed Six Thousand Five Hundred Dollars (\$6,500.00). These costs,
21 which shall be paid from the Gross Settlement Amount, shall include, *inter alia*, printing,
22 mailing, and/or re-mailing of the Notice Packet; performing any required searches to update
23 Class Members' addresses; calculating estimated amounts for Individual Settlement Payments;
24 the required tax reporting, withholding, and payment from the Gross Settlement Amount of all
25 applicable employee payroll taxes and the issuance of IRS Forms W-2 and 1099; establishing a
26 Qualified Settlement Fund; administering and distributing the Gross Settlement Amount, Class
27 Representative Enhancement Award, Class Counsel Fees and Costs, and payment to the LWDA
28 for PAGA penalties; providing necessary reports and declarations; and any other responsibilities

1 as requested by the Parties. Any portion of the Settlement Administration Costs not approved by
2 the Court shall be added to the Net Settlement Amount and shall be distributed to Class Members
3 as provided in this Agreement.

4 49. PAGA Payment. Subject to Court approval, the Parties agree that the amount of
5 Five Thousand Dollars (\$5,000.00) of the Gross Settlement Amount shall be designated for
6 satisfaction of claims for civil penalties under the PAGA. The Settlement Administration shall
7 pay seventy-five percent (75%) of the PAGA payment, *i.e.*, the sum of Three Thousand Seven
8 Hundred Fifty Dollars (\$3,750.00), to the LWDA. The remaining twenty-five percent (25%),
9 *i.e.*, the sum of One Thousand Two Hundred Fifty Dollars (\$1,250.00), shall be distributed to
10 Class Members who worked during the PAGA Period, on a pro rata basis, based on the number
11 of weeks worked by each Class Member during the PAGA Period compared to the total
12 number of weeks worked by all Class Members during the PAGA Period.

13 50. Calculation of Individual Settlement Payments. The Net Settlement Amount shall
14 be used to satisfy Individual Settlement Payments to Participating Class Members in accordance
15 with the terms of this Agreement. The Settlement Administrator will allocate the Individual
16 Settlement Payments by first dividing the Net Settlement Amount by the total number of weeks
17 worked by all Class Members during the Class Period, which will result in the "Workweek
18 Value." The Workweek Value will then be multiplied by the number of weeks each Class
19 Member worked during the Class Period to arrive at the Individual Settlement Payment amount
20 for each respective Class Member. Defendant maintains no reversionary right to any portion
21 of the Net Settlement Amount. If there are any timely submitted Requests for Exclusion, the
22 Settlement Administrator shall proportionately increase the Individual Settlement Payments for
23 each Participating Class Member so that the amount actually distributed to Class Members
24 equals 100% of the Net Settlement Amount.

25 51. Tax Treatment. All Individual Settlement Payments (excluding the PAGA
26 payments to Aggrieved Employees) shall be allocated as follows: ten percent (10%) as
27 payment for wages, less required withholdings and deductions, for which an IRS Form W-2
28 shall issue, and ninety percent (90%) as payment of non-wage compensation, including

penalties and interest, for which an IRS Form 1099 shall issue. One hundred percent (100%) of the PAGA payments distributed to Aggrieved Employees who worked during the PAGA Period shall be allocated as penalties and reported on IRS Form 1099. The Settlement Administrator shall calculate from the Gross Settlement Amount the amount of employer payroll taxes Defendant would be required to pay, and Defendant shall separately pay, additional taxes on the wage portion of the individual settlement payments paid to the Class Members, including, without limitation, payment of FUTA (federal and state unemployment insurance taxes) and payment of the employer's portion of FICA (Social Security and Medicare taxes).

52. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY

1 OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF
2 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
3 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
4 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
5 AGREEMENT.

6 53. Issuance of Tax Forms. The Settlement Administrator shall be responsible for
7 issuing to Plaintiff, Class Members, and Class Counsel any W-2, 1099, or other tax forms as
8 may be required by law for all amounts paid pursuant to this Agreement. All expenses and
9 costs incurred by, or at the direction of, the Settlement Administrator in connection with the
10 operation and implementation of this Settlement Agreement (including, without limitation,
11 expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses
12 relating to filing or failing to file the informational and other tax returns described in this
13 Agreement) shall be treated as, and considered to be, costs of administration of this Settlement
14 and thus part of the Settlement Administration Costs.

15 54. Calculation of Gross Settlement Amount. The Gross Settlement Amount was
16 calculated with, and is premised on, 75 Class Members eligible to participate in the Settlement.
17 If the number of eligible Class Members increases by more than ten percent above the
18 estimated number of Class Members on October 31, 2022, then Defendant shall have the
19 option of either (1) increasing the amount of the Gross Settlement Amount by the
20 corresponding percentage increase above ten percent (*i.e.*, if the number of Class Members
21 increases by twelve percent, increasing the Gross Settlement Amount by two percent) or (2)
22 modifying the end date of the Class Period to an earlier date so that the number of Class
23 Members does not exceed ten percent of the estimate.

24 55. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
25 Participating Class Members under this Agreement, the Enhancement Payment made to Plaintiff,
26 as well as any other payments made pursuant to this Agreement, shall not be utilized to calculate
27 any additional benefits under any benefit plans to which Plaintiff or any Class Members may be
28 eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock

1 purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plans. Rather,
2 it is the Parties' intention that this Settlement will not affect any rights, contributions, or amounts
3 to which any Class Members may be entitled under any benefit plans. The Parties agree that any
4 Individual Settlement Payment or the Class Representative Enhancement Award paid to Class
5 Members or Plaintiff under the terms of this Agreement do not represent any modification of
6 Class Members' or Plaintiff's previously credited hours of service or other eligibility criteria
7 under any employee pension benefit plan, employee welfare benefit plan, or any other plan or
8 program, sponsored by Defendant. Further, any Individual Settlement Payments or the Class
9 Representative Enhancement Award paid hereunder shall not be considered "compensation" in
10 any year for purposes of determining eligibility for, or benefit accrual within, an employee
11 pension benefit plan, employee welfare benefit plan, or any other plan or program sponsored by
12 Defendant.

13 56. Settlement Administration Process. The Parties agree to cooperate in the
14 administration of the Settlement and to make all reasonable efforts to control and minimize the
15 costs and expenses incurred in the administration of the Settlement. The Settlement
16 Administrator shall provide the following services: (a) calculate each Class Member's potential
17 Individual Settlement Payment from the Net Settlement Amount and PAGA Payment; (b)
18 prepare, print, and mail the Notice Packet; (c) take appropriate steps to trace, update, and locate
19 any Class Member whose address or contact information as provided to the Settlement
20 Administrator is inaccurate or outdated prior to mailing, and further conduct any necessary re-
21 mailing of the Notice Packet; (d) maintaining a toll-free informational telephone support line to
22 assist Class Members with questions; (e) process opt outs and written objections; (f) process and
23 resolve any disputes by a Class Member regarding the number of workweeks or pay periods
24 worked by the Class Member during the applicable Class Period and/or PAGA Period; (g)
25 provide to Class Counsel and Defendant's counsel a weekly report of the progress and
26 completion of tasks identified in Paragraph 66 of this Agreement; (h) establish and maintain
27 prior to disbursement all settlement funds in a qualified settlement fund; (i) issue and distribute
28 all payments provided for in this Agreement, including the Individual Settlement Payments; (j)

1 prepare the required tax reporting, withholding, and payment from the Gross Settlement Amount
2 of all applicable employee and employer payroll taxes and issuing IRS Forms W-2 and 1099 for
3 the payments made pursuant to this Agreement as required on Form W-2, Form 1099, or other
4 applicable forms; (k) provide any required declarations and/or information to the Court or the
5 Parties as requested; and (l) perform such other tasks as reasonable and customary to satisfy the
6 duties of a settlement administrator.

7 57. Delivery of the Class List and Data. Within fourteen (14) calendar days of
8 Preliminary Approval, Defendant shall provide the Class List and Data to the Settlement
9 Administrator.

10 58. Notice by First-Class U.S. Mail. Within five (5) business days after receiving the
11 Class List and Data from Defendant, the Settlement Administrator shall mail a Notice Packet to
12 all Class Members via regular First-Class U.S. Mail, using the most current, known mailing
13 addresses identified in the Class List.

14 59. Confirmation of Contact Information in the Class List. Prior to mailing, the
15 Settlement Administrator shall perform a search based on the National Change of Address
16 Database for information to update and correct for any known or identifiable address changes.

17 60. Notice Packets. All Class Members will be mailed a Notice Packet in English.
18 Each Notice Packet will provide: (1) information regarding the nature of the Action; (2) a
19 summary of the Settlement's principal terms; (3) the Class definition and Class Period; (4) each
20 Class Member's estimated Individual Settlement Payment if they do not request to be excluded
21 from the Class; (5) each Class Member's estimated portion of the PAGA payment if they worked
22 during the PAGA Period; (6) instructions on how to submit valid Requests for Exclusion or
23 written objections and the deadlines to do so; (7) instructions on how to dispute the number of
24 weeks worked being credited to the Class Member; and (8) the claims to be released. The Notice
25 Packet will also inform Class Members that, in order to receive the Individual Settlement
26 Payment, they do not need to do anything except keep the Settlement Administrator apprised of
27 their current mailing addresses. The Notice Packet will also inform Class Members that even if
28 they submit valid a Valid Request for Exclusion, they will still be subject to the Released PAGA

1 Claims and will receive a portion of the PAGA Payment.

2 61. Re-Mailing of Returned Notices. Any Notice Packets returned to the Settlement
3 Administrator as non-deliverable on or before the Response Deadline shall be re-sent promptly
4 via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement
5 Administrator shall indicate the date of such re-mailing on the Notice Packet. If no forwarding
6 address is provided, the Settlement Administrator shall promptly attempt to determine the correct
7 address using a skip-trace, or other search using the name, address and/or Social Security
8 Number of the Class Member involved, and shall then perform a re-mailing. Those Class
9 Members who receive a re-mailed Notice Packet that is post-marked less than thirty (30) days
10 prior to the Response Deadline shall have their Response Deadline extended by up to fifteen (15)
11 days from the original Response Deadline.

12 62. Request for Exclusion Procedures. Any Class Member may opt-out from the
13 Settlement by submitting a written Request for Exclusion to the Settlement Administrator
14 postmarked or fax stamped by the Response Deadline. A Request for Exclusion must: (a)
15 contain the case name and number of the Action; (b) contain the full name, address, and
16 telephone number of the Class Member requesting exclusion; (c) clearly state that the Class
17 Member does not wish to be included in the settlement; (d) be returned by mail and/or fax to the
18 Settlement Administrator at the specified address and/or facsimile indicated in the Notice Packet;
19 and (e) be postmarked and/ or fax stamped on or before the Response Deadline. The date of the
20 postmark on the return envelope or fax stamp on the submission will be the exclusive means to
21 determine whether a Request for Exclusion has been timely submitted. By submitting such a
22 Request for Exclusion, a Class Member shall be deemed to have exercised his or her option to
23 opt out of the Action and not be bound by this Agreement. However, a Request for Exclusion
24 will not exclude a Class Member who worked during the PAGA Period from the Released
25 PAGA Claims. Accordingly, a Class Member who worked during the PAGA Period that
26 submits a valid Request for Exclusion will not be bound by the terms of the Settlement, except as
27 it pertains to the Released PAGA Claims. Any Class Member who fails to submit a valid
28 Request for Exclusion on or before the Response Deadline shall be deemed a Participating Class

1 Member, and will be bound by all terms of the Settlement, if the Settlement is granted final
2 approval by the Court. Within five (5) business days after the Response Deadline, the Settlement
3 Administrator shall provide counsel for the Parties with the total number of all Class Members
4 who have submitted valid Requests for Exclusion. The Settlement Administrator shall maintain
5 a list of individuals who have excluded themselves and shall provide such list to counsel for the
6 Parties upon request. The Settlement Administrator shall retain the originals of all Requests for
7 Exclusion received, including the envelopes with the postmarks, and shall make copies of such
8 available to counsel for the Parties upon request, but subject to redaction of any private, personal
9 or confidential information. The Parties agree that they will not encourage any Class Member to
10 seek exclusion or to object to the Settlement.

11 63. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class
12 Member who does not affirmatively opt-out of the Settlement by submitting a valid Request for
13 Exclusion shall be bound by all terms of the Settlement to the fullest possible extent, including
14 those pertaining to the Released Claims, as well as any Judgment that may be entered by the
15 Court. Neither Plaintiff nor Defendant, nor their respective counsel, will directly or indirectly
16 solicit or otherwise encourage any Class Member to seek exclusion from the Settlement, object
17 to the Settlement, or to appeal from the Judgment.

18 64. Objection Procedures. To submit a written objection to the Settlement, a Class
19 Member should return by mail or fax a written statement of objection to the Settlement
20 Administrator at the specified address or facsimile by the Response Deadline. The Notice of
21 Objection must include: (a) the objector's full name and signature; (b) a written statement of
22 basis for the objection; and (c) any copies of papers, briefs, or documents upon which the
23 objection is based, if any. The Notice of Objection must be returned by mail and/or fax to the
24 Settlement Administrator at the specified address/facsimile indicated in the Notice Packet, and
25 should be postmarked and/or fax stamped on or before the Response Deadline. Any Class
26 Member who does not submit a Notice of Objection in compliance with this paragraph may
27 nevertheless appear at the final approval hearing and present an oral objection to the Settlement.
28 An attorney who will represent an individual objecting to this Settlement who has not filed a

1 written objection must file notice of appearance with the Court and serve Class Counsel and
2 counsel for Defendant with this notice no later than the Response Deadline.

3 Any Class Member who does not submit a Notice of Objection in compliance with this
4 section, or who does not appear at the final approval hearing and present an oral objection to the
5 Settlement, shall be deemed to have waived any objection(s), shall be conclusively deemed a
6 Participating Class Member, and shall be precluded from making any objection (including by
7 appeal or otherwise) to the Settlement. At no time shall any of the Parties or their counsel seek
8 to solicit or otherwise encourage Class Members to submit written objections to the Settlement
9 or appeal from the Order and Judgment.

10 65. Defendant's Right to Rescind. If more than ten percent (10%) of the Class
11 Members opt out of the settlement by submitting valid Requests for Exclusion, Defendant has
12 the unilateral right in its sole discretion to rescind the Settlement Agreement. The Parties agree
13 that they will not encourage any Class Member to opt out or object to the Settlement. If
14 Defendant exercises its option to rescind under this Paragraph, Defendant shall: (a) provide
15 written notice to Class Counsel at least ten (10) business days prior to the final approval hearing,
16 and (b) pay all Settlement Administration Costs incurred by the Settlement Administrator up to
17 the date of Defendant's notice to rescind. In the event the Settlement is terminated, any
18 agreement to certify any class and any conditional class certification approved by the Court for
19 settlement purposes shall be deemed null, void, and vacated for all purposes and the Parties shall
20 proceed in all respects as if this Agreement had not been executed.

21 66. Settlement Administrator's Reports of Information. The Settlement Administrator
22 shall provide Class Counsel and counsel for Defendant with a weekly report which certifies: (1)
23 the number of Class Members who have submitted valid Requests for Exclusion, (2) the number
24 of Class Members who have submitted any Notices of Objection, along with any Notices of
25 Objection received; and (c) the number of any Class Members who have submitted any
26 challenges to the number of workweeks or payroll periods contained in his/her Notice Packet
27 along with the applicable documents or information relating to the dispute. Additionally, the
28 Settlement Administrator will provide to counsel for both Parties any updated reports regarding

1 the administration of the Settlement as needed or requested. The Settlement Administrator shall
2 also forward to Parties' counsel any Notices of Objection received upon receipt.

3 67. Timing of Payments Under the Settlement. Within fifteen (15) business days of
4 Defendant funding the Gross Settlement Amount, the Settlement Administrator shall issue
5 payments to Participating Class Members. Within five (5) business days of Defendant funding
6 the Gross Settlement Amount, the Settlement Administrator shall issue payments to (1) the
7 LWDA; (2) Plaintiff for the approved Enhancement Award; (3) Class Counsel for the approved
8 fees and costs; and (4) itself for services performed in connection with the Settlement.

9 68. Uncashed Settlement Payment Checks. Any checks issued by the Settlement
10 Administrator to Class Members shall be negotiable for one hundred and eighty (180) calendar
11 days from the date of their issuance, after which time the check shall be null and void. The funds
12 represented by settlement checks to Class Members that remain uncashed for more than one
13 hundred eighty (180) calendar days after issuance will be remitted pursuant to California Code
14 of Civil Procedure § 384 to the following *cy pres* beneficiary: Boys and Girls Clubs of Fresno
15 County.

16 69. Certification of Completion. Upon completion of administration of the
17 Settlement, the Settlement Administrator shall provide a written declaration under oath to certify
18 such completion to the Court and counsel for all Parties.

19 70. Administration Costs if Settlement Fails or is Delayed. If an objection to the
20 Settlement is filed with the Court, regardless of the ultimate outcome of any appeals taken, or if
21 the Settlement is voided or rescinded (with the exception of Defendant's Right to Rescind under
22 Paragraph 65), any costs incurred by the Settlement Administrator shall be borne equally by
23 Defendant and Plaintiff, unless otherwise specified in this Agreement.

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

28 72. Release of Claims by Participating Class Members. As of the Effective Date, all

1 Participating Class Members, including Plaintiff, shall fully, finally, and forever waive,
2 release, relinquish and discharge the Released Parties from the Released Claims, as defined
3 above. Nothing in this Agreement shall be construed to require Participating Class Members to
4 waive or release rights which may not be waived or released as a matter of applicable law. It is
5 the intent of the Parties that the Judgment entered by the Court upon Final Approval of the
6 Settlement shall have *res judicata* effect and shall be final and binding upon Plaintiff and all
7 Participating Class Members regarding all of the Released Claims.

8 73. Released PAGA Claims. As of the Effective Date, for and in consideration of
9 the PAGA Payment, all Class Members who worked during the PAGA Period fully, finally,
10 and forever release and discharge the Released Parties from the Released PAGA Claims, as
11 defined above. Nothing in this Agreement shall be construed to require Class Members to waive
12 or release rights which may not be waived or released as a matter of applicable law. This release
13 is final and binding on all Class Members who worked during the PAGA Period, regardless of
14 whether they submitted valid Request(s) for Exclusion to opt out of the Settlement.

15 74. Additional Release and Waiver of Claims by Plaintiff Only. As of the Effective
16 Date, Plaintiff, in her individual capacity, agrees to fully, finally, and forever waive, release,
17 relinquish, and discharge the Released Parties from any and all claims, known and unknown,
18 under federal, state and/or local law, statute, ordinance, regulation, common law, or other source
19 of law, arising as of the date of execution of this Agreement including but not limited to claims
20 arising from or related to her employment with Defendant and/or the termination of that
21 employment ("Plaintiff's Released Claims"). Plaintiff's Released Claims include, but are not
22 limited to, all of the Released Claims, PAGA Released Claims, and any other claims arising
23 under the California Labor Code; any claim arising out of the California common law, whether
24 based on contract, tort, fraud, defamation, privacy, emotional distress, wrongful termination,
25 public policy, or any other common law claim; the Fair Labor Standards Act, 29 U.S.C. Section
26 201 *et seq.*, and federal common law; all claims for lost wages and benefits, emotional distress,
27 retaliation, punitive damages, and attorneys' fees and costs arising under federal, state, or local
28 laws for discrimination, harassment, paid and unpaid leave, reasonable accommodation, and

wrongful termination, including but not limited to, 42 U.S.C. Section 1981, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Family and Medical Leave Act, the Age Discrimination in Employment Act, the California Fair Employment and Housing Act, the California Family Rights Act, the California Labor Code and any applicable Wage Order, the California Business and Professions Code, and the law of contract, tort, fraud and misrepresentation. This release excludes the release of claims not permitted by law.

To effect a full and complete general release as described above, Plaintiff expressly waives and relinquishes all rights and benefits of Section 1542 of the Civil Code of the State of California, and does so understanding and acknowledging the significance and consequence of specifically waiving Section 1542. Section 1542 of the Civil Code of the State of California states as follows:

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.

75. Nullification of Settlement. In the event that the Effective Date of the Settlement does not become final for any reason, then either Party shall have the right to terminate this Agreement by providing the other Party with written notice of termination, and this Agreement, and any documents generated to bring it into effect, shall be null and void. Any order or judgment entered by the Court in furtherance of this Agreement shall likewise be treated as void from the beginning, and this Agreement and any related Court orders or rulings shall have no bearing on, and shall not be admissible in connection with any subsequent litigation for any purpose, including whether class certification of the proposed Class (or any sub-class) would be appropriate in this Action or any other proceeding.

76. Disputes Regarding Individual Settlement Payments. Class Members will have the opportunity to provide documentation and/or an explanation to the Settlement Administrator to show contrary information by the Response Deadline should they disagree with Defendant's records regarding the number of weeks worked during the Class Period and/or weeks worked during the PAGA Period as stated on their Notice Packet. If there is a dispute, the Settlement

1 Administrator will consult with the Parties to determine whether an adjustment is warranted.
2 The Settlement Administrator shall determine the eligibility for, and the amounts of, any
3 Individual Settlement Payments under the terms of this Agreement. The disputes regarding
4 Individual Settlement Payments will be resolved initially by the Settlement Administrator,
5 subject to final resolution by the Court if the Court decides to rule on the dispute prior to or
6 concurrently with its Final Approval Order. If the Court does not issue a ruling on the dispute,
7 the Settlement Administrator's determination of the eligibility for and amount of any Individual
8 Settlement Payment will be binding upon Class Members and the Parties. In the absence of
9 circumstances indicating fraud, manipulation or destruction, Defendant's records will be given a
10 rebuttable presumption of accuracy.

11 77. Disputes Regarding Administration of Settlement. Any disputes not resolved by
12 the Settlement Administrator concerning the administration of the Settlement will be resolved by
13 the Court under the laws of the State of California. Prior to any such involvement of the Court,
14 counsel for the Parties will confer in good faith to resolve the disputes without the necessity of
15 involving the Court.

16 78. Preliminary Approval Hearing. Class Counsel shall obtain a hearing before the
17 Court to request the Preliminary Approval of the Settlement as soon as practicable as permitted
18 by the Court. Defendant will not oppose said motion brought in accordance with the terms of
19 this Stipulation, provided that Defendant is given a reasonable period of time of at least three (3)
20 business days to review and approve the Preliminary Approval motion prior to Plaintiff filing the
21 motion. Class Counsel shall move for the entry of a Preliminary Approval Order that contains
22 the following provisions: (i) conditionally certifying the Class for settlement purposes; (ii)
23 preliminarily approving the proposed Settlement; (iii) approving the form of the Notice Packet
24 and finding that the proposed method of disseminating the Notice Packet is the best notice
25 practicable; (iv) approving Phoenix Settlement Administrators as the Settlement Administrator;
26 and (v) setting a date for a Final Approval Hearing. If the Court declines to approve the
27 Settlement or approves it conditionally on modifications to the settlement terms, the Parties shall
28 work in good faith to modify the settlement terms to obtain approval, provided that the material

1 terms of the Settlement are not affected.

2 79. Final Settlement Approval Hearing. Following completion of the dissemination
3 of the Notice Packet and the Response Deadline, a Final Approval Hearing shall be conducted to
4 determine the Final Approval of the Settlement along with the amounts properly payable for: (i)
5 Individual Settlement Payments; (ii) the PAGA Payment (including to the LWDA); (ii) the Class
6 Counsel Fees and Costs; (iii) the Class Representative Enhancement Award; and (iv) Settlement
7 Administration Costs. Class Counsel will be responsible for drafting all documents necessary to
8 obtain final approval. Class Counsel shall provide Defendant with a reasonable period of time of
9 at least three (3) business days to review and approve the Final Approval motion prior to Plaintiff
10 filing the motion. Class Counsel will also be responsible for drafting the attorneys' fees and
11 costs application and the motion for approval of the Class Representative Enhancement Award to
12 be heard at the Final Approval Hearing. With Court approval, the Parties shall have the right to
13 continue the Final Approval Hearing without the need to provide any notice to the Class
14 Members.

15 80. Publicity. This Settlement is not confidential. However, the Parties and their
16 counsel agree that they will not issue any press or media releases about the Settlement, post
17 information about the Settlement on any media site, or publicize the Settlement in any way prior
18 to the Preliminary Approval of the Settlement. Plaintiff and Plaintiff's Counsel further agree that
19 they will not at any time issue any press or media releases about the Settlement, post information
20 about the Settlement on any media site, or engage in any advertising or distribution of any
21 marketing materials relating to the Settlement that in any manner identifies the Defendant,
22 including but not limited to any postings on any websites maintained by Class Counsel, except
23 that Class Counsel may identify this Settlement in other litigation matters to demonstrate to the
24 Court in such other matters their adequacy to serve as class counsel. This provision does not
25 apply to prevent any necessary disclosure to the Court or the LWDA to seek approval of the
26 Settlement, any court filings or notices to be sent to Class Members by the Settlement
27 Administrator, or the posting of the final judgment of this Settlement on the Settlement
28 Administrator's website to the extent required by the Court in connection with approval of the

1 Settlement.

2 81. Entry of Judgment and Continued Jurisdiction of the Court. Concurrent with the
3 Motion for Final Approval, the Parties shall also jointly seek the entry of Judgment consistent
4 with the terms of this Agreement. After entry of the Judgment, the Court shall have continuing
5 jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms
6 of the Settlement, (ii) Settlement administration matters, and (iii) such post-Judgment matters as
7 may be appropriate under court rules or as set forth in this Agreement.

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

11 83. Entire Agreement. This Agreement and any attached Exhibits constitute the
12 entirety of the Parties' Settlement terms. No other prior or contemporaneous written or oral
13 negotiations or agreements may be deemed binding on the Parties. This Agreement shall
14 supersede and replace the Mediation Settlement Term Sheet previously entered into by the
15 Parties.

16 84. Disputes Regarding Language of Final Settlement Agreement. If the Parties have
17 a dispute with regard to the language of the Agreement, the Parties agree to informally resolve
18 the dispute by engaging Tripper Ortman- to mediate such dispute.

19 85. Amendment or Modification. This Agreement may be amended or modified only
20 by a written instrument signed by counsel for all Parties or their successors-in-interest.

21 86. Authorization to Enter Into Agreement. Counsel for all Parties warrant and
22 represent they are expressly authorized by the Parties whom they represent to negotiate this
23 Agreement and to take all appropriate actions required or permitted to be taken by the Parties
24 pursuant to this Agreement to effectuate its terms and to execute any other documents required to
25 effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each
26 other and use their best and good-faith efforts to effect the implementation of the Settlement. If
27 the Parties are unable to reach agreement on the form or content of any document needed to
28 implement the Settlement, or on any supplemental provisions that may become necessary to

1 effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve
2 such disagreement.

3 87. Binding on Successors and Assigns. This Agreement shall be binding upon, and
4 inure to the benefit of, the successors, heirs, or assigns of the Parties hereto, as previously
5 defined.

6 88. California Law Governs. All terms of this Agreement and Exhibits hereto shall
7 be governed by and interpreted according to the laws of the State of California.

8 89. Execution and Counterparts. This Agreement is subject only to the execution of
9 all Parties. However, the Agreement may be executed in one or more counterparts and may be
10 delivered by electronic scan, .pdf, or DocuSign. All executed counterparts and each of them,
11 shall be deemed to be one and the same instrument provided that counsel for the Parties shall
12 exchange among themselves original signed counterparts.

13 90. Acknowledgement that the Settlement is Fair and Reasonable. The Parties
14 believe this Agreement is a fair, adequate, and reasonable settlement of the Action and have
15 arrived at this Settlement after arm's-length negotiations, mediation, and in the context of
16 adversarial litigation, taking into account all relevant factors, present and potential. The Parties
17 further acknowledge that they are each represented by competent counsel and that they have had
18 an opportunity to consult with their counsel regarding the fairness and reasonableness of this
19 Agreement.

20 91. Invalidity of Any Provision. Before declaring any provision of this Agreement
21 invalid, the Court shall first attempt to construe the provision as valid to the fullest extent
22 possible consistent with applicable precedents so as to define all provisions of this Agreement
23 valid and enforceable. Any invalid, illegal, or unenforceable provision determined by the Court
24 shall in no way affect any other provision if Defendant and Class Counsel, on behalf of the
25 Parties and the Settlement Class, mutually elect in writing to proceed as if such invalid, illegal,
26 or unenforceable provision had never been included in this Agreement.

27 92. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however,
28 that Plaintiff or Class Counsel may appeal any reduction in the Class Counsel's Award below the

1 amount Class Counsel requests, and either Party may appeal any order that materially alters the
2 Agreement's terms.

3 93. Class Action Certification. The Parties are agreeing to class certification for
4 settlement purposes only. This Agreement shall not constitute, in this or any other proceeding,
5 an admission of any kind by Defendant, including without limitation, that certification of a class
6 for trial or any other purpose is appropriate or proper or that Plaintiff or any Class Member can
7 establish any of the requisite elements for class treatment of any of the claims in this Action. If,
8 for any reason, the Settlement is not finally approved, this Agreement will be void and the
9 Parties will be restored to their respective positions in the lawsuit as if they had not entered into
10 this Agreement. The Parties further agree that this Agreement, the final stipulation of
11 Settlement, or any documents or orders issued related to this Settlement will not be admissible,
12 other than according to the Settlement's terms, in this or any other proceeding as evidence that
13 either: (i) a class action should be certified, or (ii) Defendant is liable to Plaintiff or any Class
14 Member.

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

1 applicable law.

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

5 96. Waiver. No waiver of any condition or covenant contained in this Agreement or
6 failure to exercise a right or remedy by any of the Parties hereto shall be considered to imply or
7 constitute a further waiver by such party of the same or any other condition, covenant, right, or
8 remedy.

9 97. Enforcement Actions. Pursuant to California Code of Civil Procedure section
10 664.6, the Court shall retain jurisdiction with respect to the interpretation, implementation, and
11 enforcement of the terms of this Agreement and all orders and judgments entered in connection
12 therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for
13 purposes of interpreting, implementing, and enforcing the settlement embodied in this
14 Agreement and all orders and judgments entered in connection therewith. In the event that one or
15 more of the Parties institutes any legal action or other proceeding against any other Party or
16 Parties to enforce the provisions of this Settlement, or to declare rights and/or obligations under
17 this Settlement, the prevailing Party or Parties shall be entitled to recover from the non-
18 prevailing Party or Parties reasonable attorneys' fees and costs, including expert witness fees
19 incurred in connection with any enforcement actions.

20 98. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms
21 and conditions of this Agreement. Accordingly, this Agreement shall not be construed more
22 strictly against one Party than another merely by virtue of the fact that it may have been prepared
23 by counsel for one of the Parties, it being recognized that, because of the arm's-length
24 negotiations between the Parties, all Parties have contributed to the preparation of this
25 Agreement.

26 99. Representation by Counsel. The Parties acknowledge that they have been
27 represented by counsel throughout all negotiations that preceded the execution of this
28 Agreement, and that this Agreement has been executed with the consent and advice of counsel.

Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Agreement.

100. Cooperation and Execution of Necessary Documents. All Parties shall cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Agreement.

101. California Labor Code §§ 206 and 206.5 Do Not Apply. The Parties agree that this Settlement involves the settlement of highly contested and disputed claims, such that the provisions of California Labor Code §§ 206 and 206.5 are not applicable to this Settlement or the Releases required by this Agreement.

102. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Agreement, and further intend that this Agreement shall be fully enforceable and binding on all Parties, and agree that it shall be admissible and subject to disclosure in any proceeding to enforce its terms.

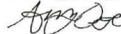
IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff and Defendant as of the date(s) set forth below:

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 1/25/2023

DocuSigned by:



D3D5C1DD57594F5...
Amy Orozco

DEFENDANT BETTS COMPANY

Dated: Feb 8, 2023



Bill Betts (Feb 8, 2023 16:09 PST)

Bill Betts, on behalf of
Betts Company

1 APPROVED AS TO FORM

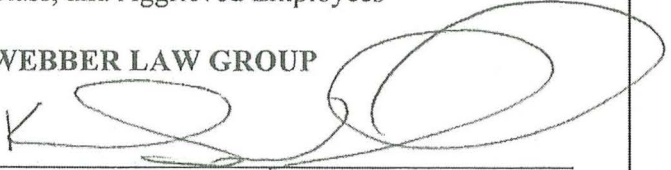
2
3 Dated: January 25, 2023

4 DIVERSITY LAW GROUP, P.C.

5 
6 Larry W. Lee
7 Kristen M. Agnew
8 Nicholas Rosenthal
9 Attorneys for Plaintiff Amy Orozco, the
10 Class, and Aggrieved Employees

11 WEBBER LAW GROUP

12 Dated: Jan 25, 2023

13 
14 Kelsey A. Webber
15 Shaelyn A. Stewart
16 Attorneys for Plaintiff Amy Orozco, the
17 Class, and Aggrieved Employees

18 SAGASER, WATKINS & WIELAND PC

19 Dated: 2/8/2023

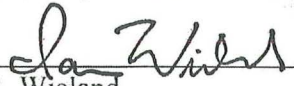
20 
21 Ian B. Wieland
22 Amanda K. Miller
23 Attorneys for Defendant Betts Company

EXHIBIT A

[CLASS MEMBER NAME]

Amy Orozco v. Betts Company

**Superior Court of the State of California, County of Sacramento
Case No.: 34-2021-00309846**

If you are a current or former non-exempt employee of Betts Company (“Betts” or “Defendant”) who was paid “Opt-Out OT” wages and/or who received Opt-Out wages or other bonuses in the same pay period as a meal/rest period premium and/or paid sick leave wages between May 21, 2020 and October 31, 2022, a class action lawsuit may affect your rights and you may be entitled to benefits under the settlement.

You are not being sued. A court authorized this notice. This is not a solicitation from a lawyer.

**PLEASE READ THIS NOTICE CAREFULLY. IT CONTAINS IMPORTANT
INFORMATION ABOUT YOUR RIGHTS.**

**YOUR ESTIMATED TOTAL INDIVIDUAL SETTLEMENT PAYMENT AMOUNT
FROM THIS CLASS ACTION SETTLEMENT IS \$ [REDACTED].**

According to Betts’ records, the total number of weeks that you worked as a non-exempt employee for Betts in California between May 21, 2020, through October 31, 2022, is [REDACTED]. Based on this number, your individual settlement payment amount is estimated to be \$[REDACTED].

- This lawsuit involves a class defined as: All current and former non-exempt employees of Defendant in the State of California who were paid “Opt-Out OT” wages and/or who received Opt-Out wages or other bonuses in the same pay period as a meal/rest period premium and/or paid sick leave wages anytime during the Class Period (May 21, 2020, through October 31, 2022).
- You are receiving this Notice because the records reflect that you may be a class member.
- The settlement resolves a lawsuit in which Plaintiff Amy Orozco (“Plaintiff”) alleged that Betts failed to: (1) provide accurate wage statements; (2) pay meal and rest period premiums at the regular rate of pay; (3) pay sick pay at the regular rate of pay; and (4) pay waiting time penalties. Betts denies any and all liability as to all claims alleged in this lawsuit. The settlement avoids the costs and risks from continuing the lawsuit, pays money to employees, and releases Betts from liability for the alleged violations.
- There has been a settlement that affects your rights. Although the Court has authorized the Parties to provide this notice of the proposed settlement, the Court has expressed no opinion on the merits of Plaintiff’s claims or Betts’ defenses.

- You will not be penalized or retaliated against by Betts for participating in this settlement. If you are currently employed by Betts, your employment will not be affected in any way. Current employees of Betts who choose to participate in the settlement will not be required

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
You Can Do Nothing	You need not take any action if you wish to receive your settlement payment. If the settlement is approved by the Court and you do nothing, you will automatically be mailed a settlement check for your share of the settlement at the address on file with the Settlement Administrator. In exchange for this settlement check, you will release or give up any rights to sue Betts separately for the same legal claims that were pled in this lawsuit (see Section 8 for an explanation of the claims you are giving up). If you move, you must notify the Settlement Administrator of your new address.
You Can Exclude Yourself	If you ask to be excluded from the settlement, you will get no payment from the settlement, but you will keep any rights to sue Betts for the same legal claims that are part of this lawsuit. This is the only option that allows you to be part of any other lawsuit against Betts asserting the same legal claims that were settled in this case. You cannot ask to be excluded <u>and</u> still get a settlement payment. If you ask to be excluded from the settlement, you cannot object to the settlement.
You Can Object to the Settlement	If you do not agree with the settlement, you can submit a written objection to the settlement according to the procedures described below on page 5. The Court may or may not agree with your objection. If the Court does not agree with your objection, you will still be bound by the terms of the settlement and will receive a settlement payment. Objecting to the settlement will <u>not</u> exclude you from the settlement.

to resign and can continue to work for Betts.

To opt out or object, you must act by [60 days after initial mailing].

1. Why did I get this notice?

A proposed settlement has been reached in a class action lawsuit that was brought on behalf of Betts' non-exempt employees. You have received this notice because Betts' records indicate that you are a member of the settlement class.

2. What is this lawsuit about?

This lawsuit was filed on October 15, 2021, on behalf of individuals who are employed or have been employed by Betts as non-exempt employees in the State of California. The complaint alleges class and representative claims under the Private Attorneys General Act, California Labor Code § 2698, *et seq.* (“PAGA”) against Betts for several violations of the California Labor Code and California Business & Professions Code. First, the complaint alleges that Betts failed to provide accurate wage statements to its employees. In addition, the complaint alleges that Betts failed to pay premiums for missed or late meal and rest breaks and sick pay at the regular rate of pay. Rather, these wages were paid at employees’ base rate of pay and as such, employees are owed additional wages due to the underpayment. Finally, the complaint seeks penalties for the failure to timely pay employees all wages owed upon separation of employment.

3. Has the Court decided who is right?

No. The Court has made no decision regarding the merits of Plaintiff’s allegations or Betts’ defenses.

4. Why did this case settle?

The Parties reached a settlement in order to avoid the risk, inconvenience, and expense of further litigation. Plaintiff and her attorneys believe the proposed settlement is fair, adequate, and in the best interest of the class members to whom it applies given the outcome of their investigation, and the consumption of time and resources required in connection with further litigation. Although Betts disputes Plaintiff’s claims and asserts that it has complied with all of its legal obligations toward its employees, Betts has also concluded that further litigation would be expensive and would divert management and employee time.

5. What are the terms of the settlement and how much will I receive?

The Gross Settlement Amount is \$90,000.00. Under the proposed settlement, the following amounts will be deducted before any payments are made to employees, subject to final approval by the Court:

- Attorneys’ fees: \$30,000.00
- Litigation Costs: \$20,000.00
- Settlement Administration Costs: \$_____
- Class Representative Enhancement Award to Class Representative: \$5,000.00
- PAGA Payment: \$5,000.00
 - \$3,750.00 of the PAGA Payment shall be paid to the Labor and Workforce Development Agency (“LWDA”), representing its share of the settlement payment for the PAGA claims made pursuant to Labor Code § 2699

- \$1,250.00 of the PAGA Payment will be paid to Aggrieved Employees¹

After these deductions, and to the extent that the Court approves these amounts, approximately \$_____ is estimated to be available for payment to the class members receiving this notice (“Net Settlement Amount”). These amounts may change and are subject to Court approval.

According to Betts’ records, the total number of weeks that you worked as a non-exempt employee for Betts in California between May 21, 2020, through October 31, 2022, is _____. Based on this number, your individual settlement payment amount is estimated to be \$[_____].

The actual individual settlement payment amount that you receive could end up being more or less than this amount, depending on the final settlement terms approved by the Court.

If you disagree with the above pay period information and would like someone to look into the matter, please follow the procedure below in Section 6.

All individual settlement payments will be treated as follows: 10% as wages to be reported by IRS W-2 forms, and 90% as penalties and interest to be reported by IRS 1099 forms. Payments to Aggrieved Employees of their share of the PAGA Payment will be treated as 100% penalties to be reported by IRS 1099 forms. Settlement class members are responsible for the appropriate payment of any federal, state, and/or local income taxes due on the individual settlement payments they receive. Payroll taxes associated with the wage portion of the individual settlement payment will be paid separately by Betts. The tax issues for each settlement class member are unique to that settlement class member. You are advised to obtain tax advice from your own tax advisor with respect to any payments resulting from this settlement. This Notice does not constitute legal or tax advice regarding any federal, state, or local tax issue, and nothing in this Notice is intended to or should be used by any person for the purpose of avoiding any tax liability or tax penalties.

6. What if I disagree with information or the number of weeks worked shown above?

If you believe the information in the notice is incorrect regarding the number of pay periods listed above, you can provide documentation and/or explanation to the Settlement Administrator to support your claim of a different number of weeks worked. You may attach any relevant documentation in support thereof. You must mail or fax your letter to:

[INSERT SETTLEMENT ADMINISTRATION INFORMATION]

You must submit such information by **[60 days from initial mailing]**. The Settlement Administrator will consult with Class Counsel and Betts’ Counsel in good faith to determine whether an adjustment to the number of weeks worked is warranted. The Settlement Administrator’s determination on the number of weeks worked attributed to each settlement class

¹ Aggrieved Employees are defined as “all current and former non-exempt employees of Defendant in the State of California who were paid “Opt-Out OT” wages and/or who received Opt-Out wages or other bonuses in the same pay period as a meal/rest period premium and/or paid sick leave wages anytime during the PAGA Period (September 20, 2020, through October 31, 2022).

member for purposes of this settlement will be binding on settlement class members. All disputes submitted to the Settlement Administrator, the evidence submitted therewith, and any resolution of those disputes will be filed with the Court. The Court will have the right to review and reverse any decision made by the Settlement Administrator.

7. What do I have to do to receive a share of the settlement?

If you would like to receive an award under the terms of this settlement, **you do not have to do anything**. However, it is advisable to confirm your current mailing address with the Settlement Administrator in order to ensure you receive your settlement share. If you move, you must notify the Settlement Administrator of your new address. You will be covered by the release summarized in Section 8, below.

8. What rights am I giving up?

The claims you will release by doing nothing and participating in the settlement include all claims, including penalties, interest, damages, liquidated damages, costs, and attorneys' fees related thereto, that were or could have been brought under the facts and allegation made in the operative Second Amended Complaint for violation of Labor Code §§ 201, 202, 203, 204, 226, 226.7, 246, and 512 that accrued during the Class Period ("Released Claims").

In addition, Aggrieved Employees will release all claims for penalties under the California Private Attorneys General Act, including interest, damages, liquidated damages, costs, and attorneys' fees related thereto, predicated on the violation of Labor Code §§ 201, 202, 203, 204, 226, 226.7, 246, and 512 that accrued during the PAGA Period and were or could have been alleged in the operative Second Amended Complaint ("Released PAGA Claims").

9. What if I do not wish to be involved?

Anyone not wishing to participate in the settlement may exclude himself or herself ("opt out") by completing, signing, and mailing/faxing a letter indicating that they do not want to participate in the settlement to the Settlement Administrator, [insert name of administrator], at the following address by [60 days from initial mailing].

[INSERT SETTLEMENT ADMINISTRATION INFORMATION]

Your letter must include (1) your full name, address, and telephone number; (2) a statement clearly indicating your request to be excluded from the settlement; (3) your signature; (4) the case name and number (*Amy Orozco v. Betts Company*, Sacramento County Superior Court Case No.: 34-2021-00309846); and (5) be postmarked or fax stamped on or before [60 days from initial mailing].

If your exclusion/opt out request is postmarked or fax stamped after [60 days from initial mailing], it will be rejected as untimely, and you will be considered a settlement class member and be bound by the settlement terms and release. Anyone who submits a timely and valid exclusion/opt out request shall not be deemed a settlement class member and will not receive any payment as part

of this settlement. Such individuals will keep any right to sue Betts separately for the same claims made in this lawsuit.

However, class members who worked during the PAGA Period may not opt out of the Released PAGA Claims. Accordingly, if you worked during the PAGA Period and submit a request to opt out, you will not be bound by the terms of the Settlement, except as it pertains to the Released PAGA Claims.

10. What if I have an objection?

A class member may object to the settlement in writing. Written objections and all supporting briefs or other materials must be submitted to the Settlement Administrator by mail or fax no later than **[60 days from initial mailing]**. For written objections to be valid, you must state (1) your full name, (2) the grounds/basis of your objection; (3) your signature; and (4) any copies of papers, briefs, or documents upon which the objection is based, if any.

The Court will decide on the objections at the Final Approval Hearing. You may appear at the Final Approval Hearing to object orally even if you have not submitted a written objection. If your objection is overruled at the Final Approval Hearing, you will still be bound by the terms of this settlement and will receive a settlement payment. The Final Approval Hearing will be held in Dept. 28 of the Sacramento County Superior Court, Gordon D. Schaber Sacramento County Courthouse, located at 720 9th Street, Fourth Floor, Sacramento, California 95814 on _____, at **XXX** (Pacific Time).

11. Do I need a lawyer? Who are the lawyers in this case?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. However, if you want your own lawyer, you are free to hire one at your own expense.

The below are Class Counsel:

Larry W. Lee (State Bar No. 228175)
Kristen M. Agnew (State Bar No. 247656)
Nicholas Rosenthal (State Bar No. 268297)
DIVERSITY LAW GROUP, P.C.
515 S. Figueroa St., Suite 1250
Los Angeles, CA 90071
(213) 488-6555
(213) 488-6554 facsimile

Kelsey A. Webber (State Bar No. 303721)
Shaelyn A. Stewart (State Bar No. 335149)
WEBBER LAW GROUP
333 University Ave, Suite 200
Sacramento, CA 95825
Telephone: (916) 588-0683

12. What happens next in the case?

The settlement has only been preliminarily approved. The Court will hold a hearing in Dept. 28 of the Sacramento County Superior Court, Gordon D. Schaber Sacramento County Courthouse, located at 720 9th Street, Fourth Floor, Sacramento, California 95814 on _____, at **XXX** (Pacific Time), to rule on the objections and determine whether the settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class

Counsel's request for attorneys' fees and costs, Plaintiff's enhancement award, and the costs of settlement administration. At the Final Approval Hearing, the Court will hear arguments for and against the proposed settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, at your own expense, or to enter an appearance and represent yourself. The hearing may be continued without further notice to you. It is not necessary for you to appear at this hearing.

13. How can I receive more information?

This notice is a summary of the basic terms of the settlement. For further information, you may telephone the [INSERT SETTLEMENT ADMINISTRATION INFORMATION], or Class Counsel (listed above). You may also review the settlement agreement, which is on file with the Clerk of the Sacramento County Superior Court, Gordon D. Schaber Sacramento County Courthouse, 720 9th Street, Sacramento, California 95814. You may also review the settlement agreement and settlement documents filed in this case online at no cost through the Settlement Administrator's website at [INSERT SETTLEMENT ADMINISTRATOR WEBSITE].

ALL INQUIRIES REGARDING THIS LITIGATION SHOULD BE MADE TO PLAINTIFF'S ATTORNEYS: Larry W. Lee, Kristen M. Agnew, and Nicholas Rosenthal of Diversity Law Group, P.C., 515 S. Figueroa Street, Suite 1250, Los Angeles, CA 90071, Phone: (213) 488-6555; Kelsey A. Webber and Shaelyn A. Stewart of Webber Law Group, 333 University Ave., Suite 200, Sacramento, CA 95825, Phone: (916) 588-0683.

Please do not telephone the Court, the Office of the Clerk, or Betts' counsel for information regarding this settlement.

EXHIBIT B

[CLASS MEMBER NAME]

Amy Orozco v. Betts Company

**Superior Court of the State of California, County of Sacramento
Case No.: 34-2021-00309846**

If you are a current or former non-exempt employee of Betts Company (“Betts” or “Defendant”) who was paid “Opt-Out OT” wages and/or who received Opt-Out wages or other bonuses in the same pay period as a meal/rest period premium and/or paid sick leave wages between May 21, 2020 and October 31, 2022, a class action lawsuit may affect your rights and you may be entitled to benefits under the settlement.

You are not being sued. A court authorized this notice. This is not a solicitation from a lawyer.

**PLEASE READ THIS NOTICE CAREFULLY. IT CONTAINS IMPORTANT
INFORMATION ABOUT YOUR RIGHTS.**

**YOUR ESTIMATED TOTAL INDIVIDUAL SETTLEMENT PAYMENT AMOUNT
FROM THIS CLASS ACTION SETTLEMENT IS \$ [REDACTED].**

According to Betts’ records, the total number of weeks that you worked as a non-exempt employee for Betts in California between May 21, 2020, through October 31, 2022, is [REDACTED]. Based on this number, your individual settlement payment amount is estimated to be \$[REDACTED].

- This lawsuit involves a class defined as: All current and former non-exempt employees of Defendant in the State of California who were paid “Opt-Out OT” wages and/or who received Opt-Out wages or other bonuses in the same pay period as a meal/rest period premium and/or paid sick leave wages anytime during the Class Period (May 21, 2020, through October 31, 2022).
- You are receiving this Notice because the records reflect that you may be a class member.
- The settlement resolves a lawsuit in which Plaintiff Amy Orozco (“Plaintiff”) alleged that Betts failed to: (1) provide accurate wage statements; (2) pay meal and rest period premiums at the regular rate of pay; (3) pay sick pay at the regular rate of pay; and (4) pay waiting time penalties. Betts denies any and all liability as to all claims alleged in this lawsuit. The settlement avoids the costs and risks from continuing the lawsuit, pays money to employees, and releases Betts from liability for the alleged violations.
- There has been a settlement that affects your rights. Although the Court has authorized the Parties to provide this notice of the proposed settlement, the Court has expressed no opinion on the merits of Plaintiff’s claims or Betts’ defenses.

- You will not be penalized or retaliated against by Betts for participating in this settlement. If you are currently employed by Betts, your employment will not be affected in any way. Current employees of Betts who choose to participate in the settlement will not be required

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
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You Can Exclude Yourself	If you ask to be excluded from the settlement, you will get no payment from the settlement, but you will keep any rights to sue Betts for the same legal claims that are part of this lawsuit. This is the only option that allows you to be part of any other lawsuit against Betts asserting the same legal claims that were settled in this case. You cannot ask to be excluded <u>and</u> still get a settlement payment. If you ask to be excluded from the settlement, you cannot object to the settlement.
You Can Object to the Settlement	If you do not agree with the settlement, you can submit a written objection to the settlement according to the procedures described below on page 5. The Court may or may not agree with your objection. If the Court does not agree with your objection, you will still be bound by the terms of the settlement and will receive a settlement payment. Objecting to the settlement will <u>not</u> exclude you from the settlement.

to resign and can continue to work for Betts.

To opt out or object, you must act by [60 days after initial mailing].

1. Why did I get this notice?

A proposed settlement has been reached in a class action lawsuit that was brought on behalf of Betts' non-exempt employees. You have received this notice because Betts' records indicate that you are a member of the settlement class.

2. What is this lawsuit about?

This lawsuit was filed on October 15, 2021, on behalf of individuals who are employed or have been employed by Betts as non-exempt employees in the State of California. The complaint alleges class and representative claims under the Private Attorneys General Act, California Labor Code § 2698, *et seq.* (“PAGA”) against Betts for several violations of the California Labor Code and California Business & Professions Code. First, the complaint alleges that Betts failed to provide accurate wage statements to its employees. In addition, the complaint alleges that Betts failed to pay premiums for missed or late meal and rest breaks and sick pay at the regular rate of pay. Rather, these wages were paid at employees’ base rate of pay and as such, employees are owed additional wages due to the underpayment. Finally, the complaint seeks penalties for the failure to timely pay employees all wages owed upon separation of employment.

3. Has the Court decided who is right?

No. The Court has made no decision regarding the merits of Plaintiff’s allegations or Betts’ defenses.

4. Why did this case settle?

The Parties reached a settlement in order to avoid the risk, inconvenience, and expense of further litigation. Plaintiff and her attorneys believe the proposed settlement is fair, adequate, and in the best interest of the class members to whom it applies given the outcome of their investigation, and the consumption of time and resources required in connection with further litigation. Although Betts disputes Plaintiff’s claims and asserts that it has complied with all of its legal obligations toward its employees, Betts has also concluded that further litigation would be expensive and would divert management and employee time.

5. What are the terms of the settlement and how much will I receive?

The Gross Settlement Amount is \$90,000.00. Under the proposed settlement, the following amounts will be deducted before any payments are made to employees, subject to final approval by the Court:

- Attorneys’ fees: \$30,000.00
- Litigation Costs: \$20,000.00
- Settlement Administration Costs: \$_____
- Class Representative Enhancement Award to Class Representative: \$5,000.00
- PAGA Payment: \$5,000.00
 - \$3,750.00 of the PAGA Payment shall be paid to the Labor and Workforce Development Agency (“LWDA”), representing its share of the settlement payment for the PAGA claims made pursuant to Labor Code § 2699

- \$1,250.00 of the PAGA Payment will be paid to Aggrieved Employees¹

After these deductions, and to the extent that the Court approves these amounts, approximately \$_____ is estimated to be available for payment to the class members receiving this notice (“Net Settlement Amount”). These amounts may change and are subject to Court approval.

According to Betts’ records, the total number of weeks that you worked as a non-exempt employee for Betts in California between May 21, 2020, through October 31, 2022, is _____. Based on this number, your individual settlement payment amount is estimated to be \$[_____].

The actual individual settlement payment amount that you receive could end up being more or less than this amount, depending on the final settlement terms approved by the Court.

If you disagree with the above pay period information and would like someone to look into the matter, please follow the procedure below in Section 6.

All individual settlement payments will be treated as follows: 10% as wages to be reported by IRS W-2 forms, and 90% as penalties and interest to be reported by IRS 1099 forms. Payments to Aggrieved Employees of their share of the PAGA Payment will be treated as 100% penalties to be reported by IRS 1099 forms. Settlement class members are responsible for the appropriate payment of any federal, state, and/or local income taxes due on the individual settlement payments they receive. Payroll taxes associated with the wage portion of the individual settlement payment will be paid separately by Betts. The tax issues for each settlement class member are unique to that settlement class member. You are advised to obtain tax advice from your own tax advisor with respect to any payments resulting from this settlement. This Notice does not constitute legal or tax advice regarding any federal, state, or local tax issue, and nothing in this Notice is intended to or should be used by any person for the purpose of avoiding any tax liability or tax penalties.

6. What if I disagree with information or the number of weeks worked shown above?

If you believe the information in the notice is incorrect regarding the number of pay periods listed above, you can provide documentation and/or explanation to the Settlement Administrator to support your claim of a different number of weeks worked. You may attach any relevant documentation in support thereof. You must mail or fax your letter to:

[INSERT SETTLEMENT ADMINISTRATION INFORMATION]

You must submit such information by **[60 days from initial mailing]**. The Settlement Administrator will consult with Class Counsel and Betts’ Counsel in good faith to determine whether an adjustment to the number of weeks worked is warranted. The Settlement Administrator’s determination on the number of weeks worked attributed to each settlement class

¹ Aggrieved Employees are defined as “all current and former non-exempt employees of Defendant in the State of California who were paid “Opt-Out OT” wages and/or who received Opt-Out wages or other bonuses in the same pay period as a meal/rest period premium and/or paid sick leave wages anytime during the PAGA Period (September 20, 2020, through October 31, 2022).

member for purposes of this settlement will be binding on settlement class members. All disputes submitted to the Settlement Administrator, the evidence submitted therewith, and any resolution of those disputes will be filed with the Court. The Court will have the right to review and reverse any decision made by the Settlement Administrator.

7. What do I have to do to receive a share of the settlement?

If you would like to receive an award under the terms of this settlement, **you do not have to do anything**. However, it is advisable to confirm your current mailing address with the Settlement Administrator in order to ensure you receive your settlement share. If you move, you must notify the Settlement Administrator of your new address. You will be covered by the release summarized in Section 8, below.

8. What rights am I giving up?

The claims you will release by doing nothing and participating in the settlement include all claims, including penalties, interest, damages, liquidated damages, costs, and attorneys' fees related thereto, that were or could have been brought under the facts and allegation made in the operative Second Amended Complaint for violation of Labor Code §§ 201, 202, 203, 204, 226, 226.7, 246, and 512 that accrued during the Class Period ("Released Claims").

In addition, Aggrieved Employees will release all claims for penalties under the California Private Attorneys General Act, including interest, damages, liquidated damages, costs, and attorneys' fees related thereto, predicated on the violation of Labor Code §§ 201, 202, 203, 204, 226, 226.7, 246, and 512 that accrued during the PAGA Period and were or could have been alleged in the operative Second Amended Complaint ("Released PAGA Claims").

9. What if I do not wish to be involved?

Anyone not wishing to participate in the settlement may exclude himself or herself ("opt out") by completing, signing, and mailing/faxing a letter indicating that they do not want to participate in the settlement to the Settlement Administrator, [insert name of administrator], at the following address by [60 days from initial mailing].

[INSERT SETTLEMENT ADMINISTRATION INFORMATION]

Your letter must include (1) your full name, address, and telephone number; (2) a statement clearly indicating your request to be excluded from the settlement; (3) your signature; (4) the case name and number (*Amy Orozco v. Betts Company*, Sacramento County Superior Court Case No.: 34-2021-00309846); and (5) be postmarked or fax stamped on or before [60 days from initial mailing].

If your exclusion/opt out request is postmarked or fax stamped after [60 days from initial mailing], it will be rejected as untimely, and you will be considered a settlement class member and be bound by the settlement terms and release. Anyone who submits a timely and valid exclusion/opt out request shall not be deemed a settlement class member and will not receive any payment as part

of this settlement. Such individuals will keep any right to sue Betts separately for the same claims made in this lawsuit.

However, class members who worked during the PAGA Period may not opt out of the Released PAGA Claims. Accordingly, if you worked during the PAGA Period and submit a request to opt out, you will not be bound by the terms of the Settlement, except as it pertains to the Released PAGA Claims.

10. What if I have an objection?

A class member may object to the settlement in writing. Written objections and all supporting briefs or other materials must be submitted to the Settlement Administrator by mail or fax no later than **[60 days from initial mailing]**. For written objections to be valid, you must state (1) your full name, (2) the grounds/basis of your objection; (3) your signature; and (4) any copies of papers, briefs, or documents upon which the objection is based, if any.

The Court will decide on the objections at the Final Approval Hearing. You may appear at the Final Approval Hearing to object orally even if you have not submitted a written objection. If your objection is overruled at the Final Approval Hearing, you will still be bound by the terms of this settlement and will receive a settlement payment. The Final Approval Hearing will be held in Dept. 28 of the Sacramento County Superior Court, Gordon D. Schaber Sacramento County Courthouse, located at 720 9th Street, Fourth Floor, Sacramento, California 95814 on _____, at **XXX** (Pacific Time).

11. Do I need a lawyer? Who are the lawyers in this case?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. However, if you want your own lawyer, you are free to hire one at your own expense.

The below are Class Counsel:

Larry W. Lee (State Bar No. 228175)
Kristen M. Agnew (State Bar No. 247656)
Nicholas Rosenthal (State Bar No. 268297)
DIVERSITY LAW GROUP, P.C.
515 S. Figueroa St., Suite 1250
Los Angeles, CA 90071
(213) 488-6555
(213) 488-6554 facsimile

Kelsey A. Webber (State Bar No. 303721)
Shaelyn A. Stewart (State Bar No. 335149)
WEBBER LAW GROUP
333 University Ave, Suite 200
Sacramento, CA 95825
Telephone: (916) 588-0683

12. What happens next in the case?

The settlement has only been preliminarily approved. The Court will hold a hearing in Dept. 28 of the Sacramento County Superior Court, Gordon D. Schaber Sacramento County Courthouse, located at 720 9th Street, Fourth Floor, Sacramento, California 95814 on _____, at **XXX** (Pacific Time), to rule on the objections and determine whether the settlement should be finally approved as fair, reasonable, and adequate. The Court will also be asked to approve Class

Counsel's request for attorneys' fees and costs, Plaintiff's enhancement award, and the costs of settlement administration. At the Final Approval Hearing, the Court will hear arguments for and against the proposed settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, at your own expense, or to enter an appearance and represent yourself. The hearing may be continued without further notice to you. It is not necessary for you to appear at this hearing.

13. How can I receive more information?

This notice is a summary of the basic terms of the settlement. For further information, you may telephone the [INSERT SETTLEMENT ADMINISTRATION INFORMATION], or Class Counsel (listed above). You may also review the settlement agreement, which is on file with the Clerk of the Sacramento County Superior Court, Gordon D. Schaber Sacramento County Courthouse, 720 9th Street, Sacramento, California 95814. You may also review the settlement agreement and settlement documents filed in this case online at no cost through the Settlement Administrator's website at [INSERT SETTLEMENT ADMINISTRATOR WEBSITE].

ALL INQUIRIES REGARDING THIS LITIGATION SHOULD BE MADE TO PLAINTIFF'S ATTORNEYS: Larry W. Lee, Kristen M. Agnew, and Nicholas Rosenthal of Diversity Law Group, P.C., 515 S. Figueroa Street, Suite 1250, Los Angeles, CA 90071, Phone: (213) 488-6555; Kelsey A. Webber and Shaelyn A. Stewart of Webber Law Group, 333 University Ave., Suite 200, Sacramento, CA 95825, Phone: (916) 588-0683.

Please do not telephone the Court, the Office of the Clerk, or Betts' counsel for information regarding this settlement.