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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES
SPRING STREET COURTHOUSE

ISRAEL ENRIQUEZ, AN INDIVIDUAL ON
BEHALF OF HIMSELF AND ALL
SIMILARLY SITUATED EMPLOYEES,

PLAINTIFFS,

VS.

SHK MANAGEMENT INC., A
PENNSYLVANIA CORPORATION; AND
DOES 1 THROUGH 100, INCLUSIVE,

DEFENDANTS.

Case No.: 21STCV33114

[Assigned for all purposes to the Honorable
Elihu M. Berle, Dept. 6]

CLASS ACTION

**JOINT STIPULATION OF CLASS
ACTION SETTLEMENT**

Action Filed: September 7, 2021
Trial Date: None Set

This Joint Stipulation of Class Action Settlement (“Joint Stipulation” or “Settlement”) is made and entered by and between Plaintiff Israel Enriquez, in his individual capacity, as class representative, and as private attorneys general (“Plaintiff”) on one hand, and Defendant SHK Management, Inc. (“Defendant”), on the other hand. This Joint Stipulation will be binding on Plaintiff and the class purported to be represented thereby, and Defendant, subject to the terms and

conditions set forth below and the approval of the Court.

I. DEFINITIONS

To the extent any terms or phrases used in this Joint Stipulation are not specifically defined in this section (i.e., Section I), but are defined elsewhere in this Joint Stipulation, they are incorporated herein by reference.

1. “Action” means the class action filed by the above-referenced Plaintiff against Defendant, pending in the Superior Court of the State of California, County of Los Angeles: *Israel Enriquez, et al v. SHK Management, Inc., et al*, Los Angeles County Superior Court, Case No. 21STCV33114.
2. “Aggrieved Employee(s)” means any and all non-exempt employees who worked for Defendant at any time during the PAGA Period.
3. “Class” or “Class Members” means any and all non-exempt employees who worked for Defendant during the Class Period.
4. “Class Counsel” means counsel for the Plaintiff, Grant Joseph Savoy and Shoham J. Solouki of Solouki & Savoy, LLP.
5. “Class Period” means the time period from September 7, 2017 to the date the Court grants Plaintiff’s motion for preliminary approval.
6. “Complaint” means the operative First Amended complaint filed by Plaintiff in the Action.
7. “Defendant” means SHK Management, Inc.
8. “Effective Date” means the date by which the Court’s order granting Final Approval of this Joint Stipulation becomes final. Such order becomes final upon the following events: (i) upon the Court issuing an order granting Final Approval of this Joint Stipulation if no objections to the settlement are filed, or if an objection is filed but is withdrawn prior to the Court’s Final Approval Hearing; or (ii) in the event there are written objections filed prior to the final approval hearing which are not thereafter withdrawn prior to the hearing, the later of the following events: (a) the day after the last day by which a notice of appeal of the order may be timely filed

1 with the California Court of Appeal, and none is filed; (b) if an appeal is filed and is
2 finally disposed of by ruling, dismissal, denial, or otherwise, the day after the last
3 date for filing a request for further review of the Court of Appeal's decision passes
4 and no further review is requested, and if the terms of this Settlement are not
5 materially modified by the Court of Appeal, except that a decrease in the amount of
6 attorneys' fees' or costs awarded shall not be deemed a "material modification" as
7 provided herein; (c) if an appeal is filed and there is a final disposition by ruling,
8 dismissal, denial, or otherwise by the Court of Appeal, and further review of the
9 Court of Appeal's decision is requested, the day after the request for review is
10 denied with prejudice and/or no further review of the order can be requested, and if
11 the terms of this Settlement are not materially modified by the Court of Appeal,
12 except that a decrease in the amount of attorneys' fees' or costs awarded shall not be
13 deemed a "material modification" as provided herein; or (d) if review is accepted,
14 the day the Supreme Court of the State of California affirms the Settlement,
15 provided that it does not materially modify any terms of this Settlement, except that
16 a decrease in the amount of attorneys' fees' or costs awarded shall not be deemed a
17 "material modification" as provided herein.

- 18 9. "Final Approval" means the date upon which the Court enters an order granting
19 approval of this Joint Stipulation, after having determined that the settlement is fair,
20 adequate, and reasonable to the Class following notice to the Class and a hearing on
21 the fairness of the settlement.
- 22 10. "Final Approval Hearing" means the final hearing held to ascertain the fairness,
23 reasonableness, and adequacy of the Joint Stipulation, after which the Court will
24 enter its order approving the Joint Stipulation finally.
- 25 11. "Non-Participating Class Member" means any Class Member who opts out of the
26 Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 27 12. "Opt-Out" or "Request for Exclusion" means a Class Member's timely and valid
28 submission of a signed written request to be excluded from the Settlement.

13. “PAGA” means the California Private Attorneys General Act of 2004, which is codified in California Labor Code §§ 2698 et seq.
14. “PAGA Notice” means Plaintiff’s September 9, 2021 letter to the California Labor & Workforce Development Agency providing notice pursuant to Labor Code section 2699.3, subd.(a).
15. “PAGA Period” means from September 9, 2020 to the date the Court grants Plaintiff’s motion for preliminary approval.
16. “PAGA Payment” means the \$20,000.00 allocated from the Gross Settlement Amount for release of Aggrieved Employees’ penalties under PAGA, 75% (\$15,000.00) of which will be paid to the California Labor & Workforce Development Agency [“LWDA”] and 25% (\$5,000.00) will be paid to Aggrieved Employees.
17. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
18. “Parties” means Plaintiff and Defendant.
19. “Pay Period(s)” means the number of payroll periods that a Class Member worked for Defendant as a non-exempt employee during the PAGA Period.
20. “Preliminary Approval” means the date upon which the Court enters an order granting preliminary approval of this Joint Stipulation.
21. “Preliminary Approval Hearing” means the hearing held on the Motion for Preliminary Approval of the Joint Stipulation.
22. “Released Class Claims” means all class claims alleged in and relating to any and all facts and claims asserted in the Action or any other claims that could have been asserted in the Action based on the facts alleged, including but not limited to meal and rest breaks and failure to pay premiums for missed meal and rest breaks at the regular rate; minimum wages, overtime and double time wages (including, but not limited to, any claims for wages owed based on separate pay owed for rest periods; any and all theories for or related to “off-the-clock work”; wage statement

1 violations; separation pay violations; failure to timely pay wages; unreimbursed
2 business expenses; unfair business practices which occurred during the Class
3 Period.

4 23. "Released PAGA Claims" means all PAGA claims alleged in the operative
5 complaint and Plaintiff's PAGA notice to the LWDA and any other amended
6 notices to the LWDA, which occurred during the PAGA Period, regardless of
7 whether Aggrieved Employees submit a Request for Exclusion.

8 24. "Released Parties" means Defendant, and any of its former and present parents,
9 subsidiaries, affiliates, and other officers, directors, employees, partners, and agents,
10 and any other successors, assigns, or legal representatives.

11 25. "Settlement Administrator" means ILYM Class Action Administration Solutions.

12 26. "Settlement Administrator's Fees" means all fees, costs, and expenses relating to the
13 administration of the settlement in this Action, including without limitation, printing
14 and mailing Class Notice Forms, receiving and processing Opt-Outs, calculating and
15 determining payments and percentages, regularly updating counsel on the status of
16 administration, and the accounting and maintenance of the Settlement Fund
17 Account.

18 27. "Settlement Fund Account" means the bank account established under this Joint
19 Stipulation from which all monies payable under this Joint Stipulation shall be paid,
20 as set forth herein.

21 28. "Gross Settlement Amount" means \$300,000.00 that Defendant will pay in the
22 aggregate to resolve this Action, on a non-claims-made and non-reversionary basis.
23 The Gross Settlement Amount is all-inclusive. The following costs will be deducted
24 from the Gross Settlement Amount: (1) attorney fees and costs (Defendant will not
25 oppose Class Counsel's request for attorney fees amounting to 33 and 1/3% of the
26 Gross Settlement Amount, or \$100,000.00, and a maximum of \$25,000.00 in
27 litigation costs as documented in billing statements of the attorneys for Plaintiff); (2)
28 settlement administration fees (not to exceed \$10,000.00); (3) Incentive Award to

Plaintiff, as class representative, in the amount of \$5,000.00; and (4) \$20,000.00 for penalties under PAGA (75% (\$15,000.00) of which will be paid to the California Labor & Workforce Development Agency [“LWDA”] and 25% (\$5,000.00) will be paid to Aggrieved Employees. The employer’s portion of the payroll taxes will be paid outside of and in addition to the Gross Settlement Amount. Any deductions from the above allocations will be deposited into the Settlement Fund Account and will be included in the Net Settlement Amount for distribution to the Class.

29. “Net Settlement Amount” means the net amount available for payment of claims to Class Members after deducting the above-referenced costs from the Gross Settlement Amount. If the Court approves a lesser amount of any of the above-referenced costs, the Net Settlement Amount will increase proportionately. In other words, any reductions from the above-referenced costs will increase the Net Settlement Amount proportionally – also referred to herein as the “Payout Fund.”

30. “Workweek(s)” means the number of weeks that a Class Member worked for Defendant as a non-exempt employee during the Class Period.

II. PRE-TRIAL PROCEEDINGS AND NEGOTIATIONS

A. Discovery, Investigation, and Research

The Parties investigated facts and law throughout the Action. Investigation included the exchange of information under informal discovery. It also included preparing for and attending a full-day mediation with esteemed mediator Chris Barnes, Esq. The Parties eventually reached a settlement after a full day of mediation.

The Parties investigated relevant law as applied to the facts of the case, potential defenses, and damages claimed by Plaintiff on behalf of himself and the Class. Discovery largely focused on Plaintiff’s allegations that Class Members and/or Aggrieved Employees were not paid all wages owed, including overtime and minimum wages, were not provided with all meal and rest breaks under California law, received improper wage statements, were not reimbursed all necessary expenses, and were not paid all owed and due wages upon separation of employment. Information and data exchanges included significant samplings of Class Members’ and/or Aggrieved

1 Employees' dates of employment, hourly rates, time records, payroll records, arbitration
2 agreements, and collective bargaining agreements. The Parties conducted their own evaluations of
3 the potential recoveries based on the claims alleged in the Action and the defenses at play.

4 **B. Allegations of the Class Representatives and Benefits of Settlement**

5 The Parties entered into this Joint Stipulation after arm's length bargaining by the Parties
6 with the assistance of a very experienced mediator and after Class Counsel thoroughly reviewed all
7 available evidence. The information exchanged between the Parties allowed them to assess the
8 merits of the claims and defenses, and to reach a compromise of the issues.

9 Plaintiff and Class Counsel all contend the claims asserted in the Action have merit.
10 However, they also acknowledge the expense and delay of continued litigation. Class Counsel
11 considered the uncertain outcome and risk of litigation, and the difficulties and delays inherent in
12 such litigation. Class Counsel also considered the potential difficulty maintaining the Action as a
13 class action and the likelihood of appeals. In addition, Class Counsel considered Defendant's
14 numerous defenses and the non-typical aspects of the Class Members' and/or Aggrieved
15 Employees' jobs and job duties.

16 Class counsel determined this Joint Stipulation confers substantial benefit to the Class and
17 respectfully submits an independent review by the Court will confirm this conclusion. Class
18 Counsel has determined that this Joint Stipulation is in the best interests of Plaintiff, Aggrieved
19 Employees, and the Class Members.

20 **C. Defendant's Denial of Wrongdoing, Defenses, and Benefits of Settlement**

21 Defendant generally denies all claims alleged in the Action and further denies class or
22 representative treatment is appropriate for any purpose other than this settlement. Defendant
23 contend it complied with all applicable laws, whether California or federal law. Defendant also
24 contends many of Plaintiff's claims are preempted and fail as a matter of law. It is therefore also
25 Defendant's position that if litigation continued, class certification would not be granted, or if it
26 were, that it would be reversed, and would not result in any liability on the merits in any event.
27 Defendant contends Plaintiff is not an adequate class representative, his claims are not typical of
28 the Class, and individual issues predominate over common ones. However, Defendant has

1 concluded further litigation would be protracted and expensive. Thus, Defendant determined it is
2 desirable to settle the Action in the manner and upon the terms and conditions herein.

3 **D. Intent of the Settlement**

4 This Joint Stipulation intends to achieve the following: (1) entry of an order approving the
5 Joint Stipulation, conditionally certifying the Class, and granting the monetary relief set forth
6 herein; (2) entry of judgment on Plaintiff's alleged claims; and (3) discharge of Released Parties
7 from liability for all Released Claims.

8 **III. PROCEDURAL ISSUES**

9 **A. Preliminary Approval**

10 Class Counsel will submit this Joint Stipulation to the Court with a Motion for Preliminary
11 Approval of Class Action Settlement. Defendant will not oppose the Motion.

12 **B. Settlement Administrator**

13 The Settlement Administrator will handle: (1) preparing, printing, and mailing
14 simultaneously the Notice of Class Action Settlement in substantially the same form as the attached
15 **Exhibit 1** (the "Class Notice") in both English and Spanish; (2) receiving and reviewing any Opt-
16 Outs; (3) calculating payments under the settlement; (4) handling inquiries from Class Members
17 and/or Aggrieved Employees concerning the Notice Packet; (5) resolving any Workweek or Pay
18 Period disputes; (6) providing weekly status reports to Defendant's counsel and Class Counsel
19 regarding the mailings, Opt-Outs, and settlement payments; (7) distributing settlement payments to
20 Class Members and/or Aggrieved Employees and payment to other parties under the terms of this
21 Joint Stipulation; (8) providing due diligence declarations for submission to the Court, as needed;
22 (9) printing and providing Class Members, Aggrieved Employees, and Plaintiff with tax forms as
23 required under this Joint Stipulation and applicable law, and providing copies of the same to
24 Defendant; (10) translating the Notice Packet to Spanish; (11) sending, and/or responding to
25 submissions of Opt-Outs, or contact information updates; and (12) such other tasks as the Parties
26 mutually agree or the Court orders the Settlement Administrator to perform.

27 The Settlement Administrator will skip trace and re-mail all returned, undeliverable mail
28 within seven (7) days of receiving notice the mailing was undeliverable. The Settlement

1 Administrator will also handle payments to Plaintiff for their Incentive Awards, payment of Class
2 Counsel's attorney fees and costs as approved by the Court, and payment of PAGA penalties to the
3 LWDA. The Settlement Administrator will also handle the distribution of any remaining amounts
4 from uncashed checks in accordance with the procedures set forth below. (See Section IV.F.)
5 Settlement Administrator's Fees are to be paid from the Gross Settlement Amount.

6 **C. Notice to Class Members**

7 Notice will be provided to Class Members and/or Aggrieved Employees as follows:

8 Within 30 calendar days of Preliminary Approval, Defendant will provide the Settlement
9 Administrator with the following information about each Class Member: (1) name; (2) last known
10 mailing address and telephone number; (3) Social Security Number; (4) dates of employment;
11 (5) total Workweeks worked during the Class Period; and (6) total Pay Periods worked during the
12 PAGA Period (collectively, "Class Data").

13 Within 14 calendar days after the Settlement Administrator's receipt of the Class Data, the
14 Settlement Administrator will calculate the estimated payout to the individual Class Members
15 and/or Aggrieved Employees based on the assumption that all Class Members participate in the
16 Settlement, and it will mail the Notice Packet to such Class Members and/or Aggrieved Employees
17 via first-class regular U.S. mail.

18 Prior to mailing, the Settlement Administrator will perform a search based on the National
19 Change of Address Database for information to update and correct any known or identifiable
20 address changes. Efforts to locate updated addresses for returned notices will continue throughout
21 the 45-day notice period following the Settlement Administrator's mailing of the Notice Packet. If
22 a new address is obtained by way of a returned Notice Packet or otherwise, then the Settlement
23 Administrator will promptly forward the original Notice Packet to the updated address via first-
24 class regular U.S. mail, along with a cover letter advising the class member that their opt out period
25 (as described below) has been extended an additional fifteen (15) days from the remailing.

26 Upon completion of these steps by the Settlement Administrator, the Parties will be deemed
27 to have satisfied their obligation to provide notice of the settlement to Class Members and/or
28 Aggrieved Employees. Such persons will be bound by all terms of the Joint Stipulation (including

the release) and the Court's order and final judgment, unless they validly Opt-Out of the Class.

Class Members and/or Aggrieved Employees who receive a re-mailed Notice Packet shall have his/her opt out period extended an additional 15 days. All re-mailed Notice Packets shall be accompanied by a cover letter advising the Class Member and/or Aggrieved Employee that his/her "opt-out" period has been extended 15 days on account of the re-mailing. In addition, due to recent social distancing procedures for attendance at hearings and review of court files, the Class Notice shall include a copy of the following documents:

(1) Call Center Phone Numbers available at:

www.lacourt.org/newsmedia/ui/pdf/CALLCENTERPHONENUMBERSfinal.pdf; and

(2) Appear for Your Hearing Remotely (available at <https://www.lacourt.org/lacc/>).

D. Procedure for Opting-Out of Class

Class Members who wish to exclude themselves from the Settlement with respect to the release of the Released Class Claims must mail the Settlement Administrator a signed and dated document requesting exclusion from the Class within 45 calendar days after the date the Notice Packet was mailed (the "Class Member Exclusion Deadline"), or as extended in the case of a re-mailed Notice Packets (i.e., an additional fifteen (15) days), unless the Court orders otherwise. All Requests for Exclusion must be made in writing, indicate the Class Member's first and last name, and employee identification number or last four digits of the Class Member's social security number, and indicate "I WISH TO BE EXCLUDED FROM THE SETTLEMENT," or words to that effect. All Requests for Exclusion must also be signed by the Class Member, and must be submitted by postal mail. The delivery date is the date the Class Member's Request for Exclusion is deposited in the U.S. Mail as evidenced by the postmark and shall govern the timeliness of the Request for Exclusion

A request to be excluded from the Class will be deemed valid only if the Class Member completed, dated, and signed the written Opt-Out by the Class Member Exclusion Deadline.

Any Class Member who timely submits a valid written Opt-Out will not be entitled to recovery under the settlement and will not be bound by the settlement, judgment, or order in this Action. Nor will they be able to object, appeal, or comment on the settlement. Class Members who

1 fail to properly submit a written Opt-Out will be bound by all the terms of this Joint Stipulation,
2 and any judgment and order entered in the Action. The Settlement Administrator will provide
3 counsel for the Parties with weekly updates about Class Members who submit Opt-Outs.

4 If the Court approves the compromise of the PAGA claim, all Aggrieved Employees are
5 bound by the Court's resolution of that claim and the release of the Released PAGA Claims. Class
6 Members who are also Aggrieved Employees who submit a Request for Exclusion will
7 nevertheless receive their pro-rata share of the 25% of the PAGA Amount allocated to Aggrieved
8 Employees.

9 **E. Procedure for Disputing Workweeks or Pay Periods**

10 The Settlement Administrator's determination of eligibility for, and the amounts of, any
11 settlement payment under this Joint Stipulation will be conclusive, final, and binding on all Parties,
12 including all Class Members and/or Aggrieved Employees. To dispute the number of Workweeks
13 or Pay Periods with which he or she has been credited, a Class Member must timely produce
14 evidence to the Settlement Administrator showing that the Workweek or Pay Period information is
15 inaccurate by the Class Member Exclusion Deadline. The delivery date is deemed to be the date the
16 dispute is deposited in the U.S. Mail as evidenced by the postmark. Class Members and/or
17 Aggrieved Employees shall have forty-five (45) calendar days to dispute the Workweek or Pay
18 Period information, or as extended in the case of a re-mailed Notice Packet (i.e., an additional
19 fifteen (15) days). The Settlement Administrator shall decide the dispute after notifying Class
20 Counsel and Defendant's counsel of the dispute. Defendant's records will be presumed correct, but
21 the Settlement Administrator will evaluate the evidence submitted by the Class Member and will
22 make the final decision on the merits of the dispute. The Settlement Administrator may ask
23 Defendant to produce documents pertaining to the Class Member disputing his or her credited
24 Workweeks or Pay Periods in order for the Settlement Administrator to resolve the dispute.

25 **F. Procedure for Objecting to Settlement**

26 Any Class Member who seeks to object to the settlement may mail a copy of the objection
27 to the Settlement Administrator. Any Class Member may also object by appearing either in person
28 or by attorney at the Final Approval Hearing. All written objections must be postmarked within

forty-five (45) calendar days of mailing of the Class Notice, or as extended in the case of a re-mailed Notice Packet (i.e., an additional fifteen (15) days). Neither the Parties nor their respective counsel will solicit or otherwise encourage any Class Member, directly or indirectly, to object to the Settlement, or appeal from the Judgment. The Settlement Administrator will provide counsel for the Parties with weekly updates about Class Members who object to the settlement.

G. Final Approval

At the Final Approval Hearing, Class Counsel will move the Court for the entry of judgment, incorporating the Joint Stipulation. Class Counsel will seek approval of the Joint Stipulation as being fair, adequate, and reasonable to the Class Members and/or Aggrieved Employees. Class Counsel and Defendant's counsel will submit to the Court such pleadings and evidence as required for the Court's determination.

No later than thirty (30) calendar days before the Final Approval Hearing, the Settlement Administrator will serve on Class Counsel and Defendant's counsel, for filing with the Court in support of Plaintiff's motion for final approval of the settlement, a declaration of due diligence setting forth its compliance with its obligations under this Joint Stipulation.

IV. SETTLEMENT TERMS

A. Gross Settlement Amount and Settlement Payments

To settle the Released Class Claims and Released PAGA Claims in the Action, Defendant will pay the aggregate Gross Settlement Amount on an all-inclusive, non-reversionary basis. Except as required herein, Defendant will not be required to contribute additional sums to fund the settlement or otherwise resolve this action. All Class Members will be eligible to participate in the settlement. Participating Class Members will receive a pro-rata share of the Net Settlement Amount under a workweek formula, as set forth below. Aggrieved Employees will receive a pro-rata share of the portion of the PAGA Payment allocated to the Aggrieved Employees under a pay period formula, as set forth below.

B. Increase in Gross Settlement Amount

Based on its records, Defendant estimates that, as of the date of this agreement, there are 13,000 workweeks during the Class Period. Should the actual number of workweeks as of the End

1 Date be more than 10% higher than 13,000 workweeks, or 14,300, Defendant will have the option
2 to either (a) increase the Gross Settlement Amount proportionally by the amount that the
3 workweeks in excess of 14,300, or (b) to shorten end date of the Class Period and PAGA Period to
4 the date that the actual number of workweeks equaled 13,000.

5 **C. Establishment of Settlement Fund Account**

6 Within seven (7) days of Final Approval, the Settlement Administrator will establish the
7 Settlement Fund Account in a non-interest bearing transaction account at a FDIC-insured
8 institution designated by Defendant with at least one branch in California.

9 **D. Allocation of Settlement Proceeds**

10 The Gross Settlement Amount is inclusive of and will be allocated as follows:

11 i. The Fee Award, which is the amount the Court awards to Class Counsel for their
12 attorney fees, in an amount not exceeding 33 and 1/3% (\$100,000.00) of the Gross Settlement
13 Amount;

14 ii. The Cost Award, which is the amount the Court awards to Class Counsel for their
15 reasonable litigation costs, in an amount not exceeding \$25,000.00.

16 iii. The Incentive Award, which comprises the amount the Court awards to the named
17 Plaintiff as class representative, in an amount not exceeding \$5,000.00;

18 iv. The Settlement Administrator's Fees, as approved by the Court, not to exceed at
19 \$10,000.00

20 v. PAGA penalties in an amount not to exceed \$20,000.00 (75% of which will go to
21 the LWDA and 25% to aggrieved employees as part of the Gross Settlement Amount);

22 vi. The Payout Fund, which is the total money available for payout to Participating
23 Class Members, after deducting the above amounts;

24 vii. Payment to Participating Class Members shall be allocated as follows: 80% as
25 penalties and interest, and 20% as wages;

26 viii. Payment to Aggrieved Employees for their share of the PAGA Payment shall be
27 allocated 100% as penalties.

28 ix. If the Court approves a lesser amount of any of the above-referenced costs or

penalties, the Payout Fund will increase proportionately.

No funds will revert to Defendant.

E. Distribution of Settlement Proceeds

The Settlement Administrator will keep Defendant's counsel and Class Counsel apprised of all distributions from the Settlement Fund Account. No person will have any claim against Defendant, Defendant's counsel, Plaintiff, Class Counsel, or the Settlement Administrator based on distributions and payments made under this Joint Stipulation. Distribution of the Gross Settlement Amount will be as follows:

1. Initial Payment

Fourteen (14) calendar days after the Effective Date, Defendant shall provide the Settlement Administrator with the Gross Settlement Amount. Within seven (7) calendar days after receiving the Gross Settlement Amount from Defendant, the Settlement Administrator will pay the Fee Award, the Cost Award, the Incentive Award, the payment to the LWDA, and the Settlement Administrator's Fees, based on how the Court rules at the Final Approval Hearing. The remainder of the Gross Settlement Amount, including the Payout Fund (also known as the Net Settlement Amount) and the portion of the PAGA Payment allocated to Aggrieved Employees, will be calculated and distributed as set forth below.

2. Payout to Class Members and/or Aggrieved Employees

The Settlement Administrator will calculate the individual settlement payments to Participating Class Members. These payments will be calculated by assigning a certain dollar value to each Workweek Participating Class Members worked during the Class Period. The dollar value of each pay period will be calculated by dividing the aggregate value of the Net Settlement Amount by the total number of Workweeks worked by the Participating Class Members during the Class Period. Partial Workweeks will be rounded up to the nearest whole number. A Participating Class Member will receive an individual Class settlement payment determined by multiplying the number of his or her Workweeks worked during the Class Period by the dollar value of each Workweek.

The Settlement Administrator will calculate the individual PAGA settlement payments to

all Aggrieved Employees. These payments will be calculated by assigning a certain dollar value to each Pay Period Aggrieved Employees worked during the PAGA Period. The dollar value of each Pay Period will be calculated by dividing the Aggrieved Employees' portion of the PAGA Payment by the total number of Pay Periods worked by all Aggrieved Employees during the PAGA Period. Partial Pay Periods will be rounded up to the nearest whole number. Each individual Aggrieved Employee will receive an individual PAGA settlement payment determined by multiplying the number of his or her Pay Periods worked during the PAGA Period by the dollar value of Pay Period, regardless of whether they are Participating Class Members or Non-Participating Class Members.

The Participating Class Members' settlement payments from the Net Settlement Amount will be apportioned as follows: 20% as wages, 80% for interest and penalties. The Aggrieved Employees' settlement payments for their share of the PAGA Payment shall be allocated 100% as penalties. The amounts paid as wages shall be subject to all tax withholdings customarily made from employee's wages and all other authorized and required withholdings and shall be reported by W-2 forms. The amounts paid as interest and penalties shall be reported on an IRS Form-1099. The Settlement Administrator will issue the appropriate federal and state tax forms.

The settlement payments to Participating Class Members and Aggrieved Employees will be paid within twenty-one (21) calendar days after the Effective Date. Participating Class Members who are also Aggrieved Employees may receive their settlement payments as a single check. It is expressly understood and agreed that the receipt of settlement payments will not entitle any Class Member and/or Aggrieved Employee to additional or derivative compensation or benefits under any company bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle any Class Member and/or Aggrieved Employee to any increased retirement, 401k benefits or matching benefits, or deferred compensation benefits. It is the intent of the Parties that the settlement payments provided for in this Joint Stipulation are the sole payments to be made by Defendant to the Class Members and/or Aggrieved Employee for the Released Class Claims and Released PAGA Claims, and that the Class Members and/or Aggrieved Employee are not entitled to any additional or derivative compensation or benefits as a result of having received

the settlement payments (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Settlement).

F. Uncashed Checks

Settlement checks issued to Class Members and/or Aggrieved Employee will expire one hundred and eighty (180) days from the date they are issued by the Settlement Administrator. Any check not cashed within 180 calendar days will be void. The Settlement Administrator will provide the Parties with a report of uncashed checks. The money from the uncashed checks, plus any interest accrued thereon, shall be directed to the Controller of the State of California to be held in Class Members' names pursuant to the Unclaimed Property Law, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b)..

The Settlement Administrator shall post the Order and Judgment on the Settlement Administrator's website within seven (7) calendar days after entry of Order and Judgment. The Settlement Administrator shall post a copy of the signed judgment for one hundred eighty (180) calendar days on its website in compliance with Rule 3.771(b) of the California Rules of Court in order to provide notice to the Class Members and/or Aggrieved Employees of this Judgment.

G. Fee Award

Defendant will not oppose a request for attorney fees up to one-third (\$100,000.00) of the Gross Settlement Amount. Defendant will not be obligated to pay any attorney fees of Class Counsel, Plaintiff, Aggrieved Employees, or Class Members above this amount. Class Counsel's attorney fee application will be submitted and heard during the Final Approval Hearing. The Court will determine the Fee Award. If the Court believes the Fee Award should be reduced, the other terms of the settlement will remain in effect and any such reduction will not affect the remaining terms, other than adjusting the Net Settlement Amount.

H. Cost Award

Defendant will not oppose a request for reasonable litigation expenses not to exceed \$25,000.00. Defendant will not be obligated to pay any costs of Class Counsel, Aggrieved Employees, Plaintiff, or Class Members above the amount approved by the Court or \$25,000.00,

1 whichever amount is less. Class Counsel's request for costs must be submitted with its fee
2 application and heard during the Final Approval Hearing. The Court will determine the Cost
3 Award. If the Court believes the Cost Award should be reduced, the other terms of the settlement
4 will remain in effect and any such reduction will not affect the remaining terms, other than
5 adjusting the Net Settlement Amount.

6 **I. Incentive Award**

7 Defendant will not object to an Incentive Award of \$5,000.00 to Plaintiff. Defendant will
8 not be obligated to pay any Incentive Award in the Action above this amount. The Incentive Award
9 will be considered miscellaneous income. The Settlement Administrator will issue a Form 1099,
10 and any other tax forms, to Plaintiff relating to this award. The Court will determine the Incentive
11 Award. If the Court believes the Incentive Award should be reduced, the other terms of the
12 settlement will remain in effect and any such reduction will not affect the remaining terms, other
13 than adjusting the Net Settlement Amount.

14 Plaintiff acknowledge and agree that Defendant and its attorneys have made no
15 representations or warranties regarding the tax consequences of payment of the Incentive Award,
16 and Plaintiff have not relied on any such representations or warranties. Plaintiff further agree to pay
17 and bear sole responsibility for all taxes, liens, levies, encumbrances, interest, and penalties that
18 may be due or payable to any taxing authority as a result of payment of the Incentive Award.
19 Furthermore, Plaintiff agree to defend and indemnify Defendant in connection with any taxes,
20 fines, interest, or penalties incurred as a result of any failure by Plaintiff, to pay taxes due, if any,
21 on the Incentive Award paid.

22 **J. Settlement Administrator Fees**

23 The Parties agree settlement administration costs will be deducted from the Gross
24 Settlement Amount, subject to approval by the Court, not to exceed at \$10,000.00.

25 **K. PAGA Penalties**

26 The Parties agree to allocate \$20,000.00 of the Gross Settlement Amount to the resolution
27 of all claims for penalties under PAGA during the PAGA Period. Under Labor Code § 2699(i),
28 75% of that amount will be paid to the LWDA. This amount will be paid by the Settlement

1 Administrator within seven (7) calendar days after receiving the Gross Settlement Amount from
2 Defendant. The other 25% will remain part of the settlement funds to be paid to the Aggrieved
3 Employees.

4 **L. Defendant's Fees and Costs**

5 Defendant will bear their own fees and costs.

6 **V. RELEASE OF CLAIMS BY THE CLASS**

7 Subject to Court approval, upon the date Defendant fully fund the Settlement, Plaintiff and
8 Participating Class Members, on behalf of themselves and their respective former and present
9 representatives, agents, attorneys, heirs, administrators, successors, and assigns, will be deemed to
10 have released the Released Parties from any and all of the Released Class Claims during the Class
11 Period. The Released Class Claims include all claims which Plaintiff, the Class, and/or any Class
12 Member had, or may claim to have, against any of the Released Parties, that were alleged or could
13 have been alleged in the Complaint during the Class Period.

14 Subject to Court approval, upon the date Defendant fully fund the Settlement, Plaintiff and
15 the Aggrieved Employees, regardless of whether they are Participating Class Members or Non-
16 Participating Class Members, on behalf of themselves and their respective former and present
17 representatives, agents, attorneys, heirs, administrators, successors, and assigns, will be deemed to
18 have released the Released Parties from any and all of the Release PAGA Claims. The Released
19 PAGA Claims include all PAGA claims that could have been premised on the facts alleged in the
20 Plaintiff's PAGA Notice and operative Complaint. Aggrieved Employees will release the Released
21 PAGA Claims even if they submit a Request for Exclusion from the Settlement. The foregoing
22 release shall be binding on Plaintiff, the Aggrieved Employees, and the State of California, and
23 shall bar by res judicata any claim under the PAGA brought by any person, including the
24 Aggrieved Employees, on behalf of the State of California, as to any claims predicated on the
25 Released PAGA Claims.

26 **VI. RELEASE OF CLAIMS BY PLAINTIFF**

27 Upon the date Defendant fully fund the Settlement, Plaintiff will be deemed to have
28 released the Released Parties of and from all of the Released Class Claims during the Class Period

1 and the Released PAGA Claims during the PAGA Period, as set forth above. Plaintiff's release set
2 forth herein also include a waiver of all rights under California Civil Code section 1542, which
3 includes a release of all known and unknown claims against the Released Parties that have been
4 alleged or could have been alleged arising out of the facts, circumstances, causes of action, and
5 primary rights alleged in the Action. Civil Code section 1542 provides:

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

12 Upon the Effective Date, Plaintiff will be deemed to have waived their rights under Civil
13 Code section 1542, as set forth above.

14 **VII. NULLIFICATION OF THE JOINT STIPULATION**

15 If (a) the Court should for any reason fails to approve this Joint Stipulation in the form
16 agreed to by the Parties, or (b) the Court should for any reason fail to enter a judgment in the
17 Action, or (c) the judgment is reversed, modified, or declared or rendered void, this Joint
18 Stipulation will be null and void, and neither this Joint Stipulation, nor any of the related
19 negotiations or proceedings, will be of any force or effect, and all Parties will stand in the same
20 position, without prejudice, as if the Joint Stipulation had not been entered into or filed.
21 Invalidation of any material portion of this Joint Stipulation will invalidate this Joint Stipulation in
22 its entirety, unless the Parties subsequently agree in writing that the remaining provisions of the
23 Joint Stipulation are to remain in full force and effect or unless as otherwise set forth above.

24 If the number of Class Members who submit valid Opt-Outs exceeds 10%, Defendant may
25 rescind this Joint Stipulation. If Defendant rescinds, it must do so in writing to Class Counsel
26 within fourteen (14) calendar days after the Settlement Administrator notifies the Parties of the
27 total number of valid Opt-Outs received by the Class Member Exclusion Deadline. Defendant
28 shall pay any costs incurred by the Settlement Administrator in the event that Defendant rescind
the Joint Stipulation or the Joint Stipulation is not approved by the Court.

1 **VIII. DUTIES OF THE PARTIES**

2 **A. Mutual Full Cooperation**

3 The Parties agree to cooperate to accomplish and implement the terms of this Joint
4 Stipulation. Such cooperation will include, but is not necessarily limited to, execution of such other
5 documents and taking such other actions as may be reasonably necessary to fulfill the terms of this
6 Joint Stipulation. The Parties will use their best efforts, including all efforts contemplated by this
7 Joint Stipulation and any other efforts that may become necessary by court order, or otherwise, to
8 effectuate this Joint Stipulation and the terms set forth herein. As soon as practicable after
9 execution of this Joint Stipulation, Class Counsel, with the cooperation of Defendant and its
10 counsel, will try to secure Preliminary Approval and Final Approval.

11 **B. Duty to Support and Defend the Settlement**

12 The Parties agree the settlement is fair, adequate, and reasonable and will so represent to
13 the Court. The Parties agree to abide by all terms of the Joint Stipulation in good faith and to
14 support the Joint Stipulation fully, and to use their best efforts to defend this settlement from any
15 legal challenge, whether by appeal or collateral attack.

16 **IX. MISCELLANEOUS PROVISIONS**

17 **A. No Media Comments of Publicity**

18 If contacted by the media, the Parties and Class Counsel will merely inform them that the
19 case has been resolved, and refer them to the public filings. In addition, there shall be no public
20 statements to the media or press releases with regard to the Action or the terms of this Joint
21 Stipulation.

22 **B. No Reemployment**

23 Plaintiff agrees not to apply for employment with Defendant or any of the Released Parties
24 in the future unless the Parties otherwise agree in writing.

25 **C. Waiver of Appeals**

26 The Parties, Aggrieved Employees, and Class Members agree to waive any appellate rights;
27 provided, however, Plaintiff may appeal any reduction in the attorney fees and/or cost award.
28

1 **D. No Admission of Liability**

2 This Joint Stipulation is not an admission of liability by Defendant or any of the Released
3 Parties.

4 **E. Non-Disparagement**

5 Plaintiff agrees not to publicly disparage Defendant or any of the Released Parties.

6 **F. Construction**

7 The Parties agree this Joint Stipulation resulted from lengthy, intensive, arm's-length
8 negotiations, and it is not to be construed for or against any party for any reason.

9 **G. Choice of Law**

10 This Joint Stipulation is intended to and will be governed by the laws of California, without
11 regard to conflicts of law principles. The Court will retain continuing jurisdiction to enforce the
12 settlement.

13 **H. Captions and Interpretations**

14 Paragraphs, titles, or captions contained herein are inserted as a matter of convenience and
15 for reference only, and in no way define, limit, extend, or describe the scope of this Joint
16 Stipulation or any provision thereof.

17 **I. Modifications**

18 This Joint Stipulation may not be changed, altered, or modified, except in writing signed by
19 counsel for the Parties and approved by the Court. This Joint Stipulation may not be discharged
20 except by performance under its terms or by a writing signed by the Parties.

21 **J. Integration Clause**

22 All prior or contemporaneous agreements, understandings, representations, and statements,
23 whether oral or written, between the Parties are merged herein. No rights under this Joint
24 Stipulation may be waived except in writing. However, if there is a conflict between the terms of
25 this Joint Stipulation and the Memorandum of Understanding entered into between the Parties, the
26 latter shall control.

27 **K. Successors and Assigns**

28 This Joint Stipulation will be binding upon and inure to the benefit of the Parties and their

1 respective heirs, trustees, executors, administrators, successors, and assigns.

2 **L. Class Counsel Signatories**

3 Because the Class Members, and Aggrieved Employees are so numerous, the Parties agree
4 it is impossible or impractical to have each Class Member sign this Joint Stipulation. This Joint
5 Stipulation may be executed on behalf of the Class by Class Counsel and Plaintiff.

6 **M. Plaintiff's Waiver of Right to be Excluded or Object**

7 Plaintiff agree not to Opt-Out of the Class and agrees not to object to any terms of this Joint
8 Stipulation. Non-compliance by Plaintiff with this paragraph will be void and of no force or effect.
9 Any such Request for Exclusion or objection by Plaintiff will therefore be void and of no force or
10 effect.

11 **N. Execution in Counterparts**

12 This Joint Stipulation will become effective upon its execution by all of the undersigned.
13 The Parties may execute this Joint Stipulation in counterparts, and execution of counterparts will
14 have the same force and effect as if all Parties signed the same instrument.

15 *[Signatures on Next Page]*
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PLAINTIFF AND CLASS COUNSEL

DATED: November 17, 2023

Israel Enriquez

Israel Enriquez

DATED: November 20, 2023

SOLOUKI SAVOY LLP

By: *Shoham J. Solouki*
Shoham J. Solouki
Attorneys for Plaintiff

DEFENDANT AND DEFENDANT'S COUNSEL

SHK MANAGEMENT INC.

DATED: December 1, 2023

DocuSigned by:
Steven Ferraro
6E3FEB0A9C3549B
By: Steven Ferraro
Vice President - Legal

DATED: December 1, 2023

OGLETREE DEAKINS

By: *[Signature]*
Timothy M. Keegan
Attorneys for Defendant

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EXHIBIT “1”

NOTICE OF CLASS ACTION SETTLEMENT

SUPERIOR COURT OF THE STATE OF CALIFORNIA – COUNTY OF LOS ANGELES
Israel Enriquez, et al v. SHK Management, Inc., et al, Case No. 21STCV33114

Indicate Name/Address Changes, if any:

<<Name>>

«Address»

<<City>>, <<State>> <<Zip Code>>

XX - XX - _ _ _ _

YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A SETTLEMENT.

THIS NOTICE AFFECTS YOUR RIGHTS. PLEASE READ IT CAREFULLY.

A California court authorized this notice. This is not a solicitation from a lawyer.

YOU WILL NOT BE RETALIATED AGAINST FOR PARTICIPATING IN THIS SETTLEMENT.

YOU ARE HEREBY NOTIFIED that a proposed settlement (“the Settlement”) of the above class actions (hereinafter referred to collectively as “the Action”) filed in Los Angeles County Superior Court has been reached between Plaintiff Israel Enriquez, individual and class representative on behalf of himself and all other similarly situated non-exempt former and current employees (“Plaintiff”) on one hand, and Defendant SHK Management, Inc. (“Defendant” and collectively with Plaintiff as the “Parties”), and has been granted Preliminary Approval by the Court supervising the Action. The Los Angeles County Superior Court has ordered that this Class Notice be sent to you because you may be a Settlement Class Member. The purpose of this Class Notice is to inform you of the Settlement of this class action and your legal rights under the Settlement as follows:

- The settlement class is defined as any and all non-exempt employees who worked for Defendant SHK Management, Inc. during the period of September 7, 2017 to _____ (the “Class” or “Class Members”).
- The Private Attorneys General Act (“PAGA”) cohort is defined as any and all non-exempt employees who worked for Defendant SHK Management, Inc. during the period of September 9, 2020 to _____ (“Aggrieved Employees”).
- The proposed settlement generally resolves claims regarding the following alleged wage and hour issues related to your employment with Defendant: meal and rest breaks; unpaid wages, including minimum wages, regular wages, overtime and double time wages; wage statement violations; untimely payment of wages both during and after employment; unpaid business reimbursements; unfair business practices; and penalties pursuant to California’s PAGA. Please see Section E below for further information regarding the claims you are releasing by participating in this settlement.
- The settlement avoids costs and risks to you from continuing the lawsuit; pays money to employees; and releases Defendant from liability for these claims.
- The two sides disagree on whether Defendant are liable for the allegations raised in this case and how much money could have been won if the employees won at trial. The Court has also not found in favor of either Plaintiff or Defendant.
- **Your legal rights may be affected. Read this notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Get a Payment	If you are a Class Member, you will automatically receive a payment, unless you exclude yourself from the settlement as described below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below.
Exclude Yourself	If you want to exclude yourself from the settlement, you must submit a request to be excluded from the settlement to the Settlement Administrator as provided below. If you timely request exclusion from the settlement, you will not release any of the class claims released in the settlement and will not receive any payment from the settlement of the class claims. Even if you exclude yourself from the settlement, if you are an Aggrieved Employee you will release PAGA claims and receive a check for your portion of the PAGA penalties.
Object	If you object to the terms of the settlement, you may do so by timely submitting an objection as provided below. However, if the Court overrules your objection and finally approves the settlement, you will be deemed as having participated in the settlement that is finally approved and receive a settlement payment. To object, you must timely mail a copy of the objection to the Settlement Administrator as provided below about why you do not agree with the settlement. Any Class Member may also object by appearing remotely, in person, or by attorney at the Final Approval Hearing. Additional information on how to appear remotely can be found at https://www.lacourt.org/lacc/, or in the attached document to this notice. Directions are provided below.

WHY DID YOU RECEIVE THIS NOTICE?

This notice explains a proposed settlement of a lawsuit, and informs you of your legal rights under that proposed settlement. You are receiving this notice because you may be a member of the class on whose behalf this lawsuit has been brought.

WHAT IS THIS LAWSUIT ABOUT?

Plaintiff filed this lawsuit in Los Angeles Superior Court on behalf of the Class. The lawsuit alleges that Defendant: (i) failed to provide timely and/or proper meal and rest breaks; (ii) failed to pay overtime compensation; (iii) failed to pay minimum wages; (iv) failed to timely pay wages during employment; (v) failed to pay all wages to employees upon termination and/or resignation; (vi) failed to maintain accurate time and payroll records; (vii) failed to provide accurate wage statements; (viii) failed to pay for business expenses; (ix) engaged in unfair and unlawful business practices; and (10) violated PAGA. The lawsuit seeks recovery of wages, restitution, statutory and civil penalties, interest, attorneys' fees and costs.

Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the lawsuit and further denies that, for any purpose other than that of settling this lawsuit, the lawsuit is appropriate for class treatment. Defendant contends, among other things, that they complied at all times with the California Labor Code, the California Business and Professions Code, and all other applicable

laws. The Court has made no ruling and will make no ruling on the merits of the Action and its allegations and claims.

SUMMARY OF THE SETTLEMENT

A. Why is there a Settlement?

The Court did **not** decide in favor of the Plaintiff or Defendant. There was no trial. Instead, both sides agreed to a settlement. That way, they avoid the costs, risks, and uncertainty of a trial, and the Class Members will get compensation. Plaintiff and Plaintiff's attorneys believe the settlement is fair, reasonable and adequate and in the best interests of all Class Members and/or Aggrieved Employees. Thus far, the Court has only determined that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable. The Court will make a final determination of whether the proposed settlement is fair, adequate, and reasonable at the Final Approval Hearing.

B. Who is in the Class and PAGA Cohort?

The Class consists of any and all non-exempt employees who worked for Defendant SHK Management, Inc. at any time from September 7, 2017 to _____.

Aggrieved Employees consists of any and all non-exempt employees who worked for Defendant SHK Management, Inc. at any time from September 9, 2020 to _____.

C. What is the Class Period and PAGA Period?

The term "Class Period" means the period from September 7, 2017 to _____.

The term "PAGA Period" means the period from September 9, 2020 to _____.

D. What does the Settlement provide?

1. Gross Settlement Amount.

Defendant will pay a total of One Hundred and Three Hundred Thousand Dollars (\$300,000) (the "Gross Settlement Amount") to settle the Action.

The following amounts will be paid from the Gross Settlement Amount: all settlement payments to participating Class Members; attorneys' fees not to exceed 33 and 1/3% of the Gross Settlement Amount, or \$100,000; litigation expenses, not to exceed \$25,000; administrative costs, not to exceed \$10,000; 75% of the \$20,000 PAGA payment (i.e., \$15,000) to be paid to the California Labor & Workforce Development Agency ("LWDA"); 25% of the \$20,000 PAGA payment (i.e., \$5,000) to be paid as settlement payments to the Aggrieved Employees; and an Incentive Award to the Named Plaintiff in the amount of \$5,000. The employer's portion of payroll taxes will be paid outside of and in addition to the Gross Settlement Amount. No funds will revert to Defendant.

The funds used for the Gross Settlement Amount shall be paid to the Settlement Administrator. The Settlement Administrator shall distribute the Court approved Incentive Award to the Plaintiff, the Court approved attorneys' fees and litigation costs, the administration costs, and the PAGA payment to the LWDA at the same time and manner as the settlement payments to the participating Class Members and Aggrieved Employees.

2. Net Settlement Amount

"Net Settlement Amount" or "Payout Fund" means the Gross Settlement Amount minus the attorneys' fees, litigation expenses, administrative costs, the PAGA payment to the LWDA, the PAGA payment to the Aggrieved Employees, and the Incentive Awards to the Plaintiff.

3. Your Individual Payment Amount.

The Settlement Administrator will calculate the individual settlement payments to Class Members who do not submit valid Opt-Out forms. These payments will be calculated by assigning a certain dollar value to each workweek participating Class Members worked during the Class Period. The dollar value of each workweek will be calculated by dividing the aggregate value of the Payout Fund by the total number of workweeks worked by Class Members who do not submit valid Opt-Out forms during the Class Period. Partial workweeks will be rounded up to the nearest whole number. A Class Member who does not submit a valid Opt-Out form (i.e., a participating Class Member) will receive an individual settlement payment determined by multiplying the number of workweeks worked by the Class Member during the Class Period by the dollar value of each workweek.

The Settlement Administrator will calculate the individual PAGA settlement payments to all Aggrieved Employees. These payments will be calculated by assigning a certain dollar value to each pay period Aggrieved Employees worked during the PAGA Period. The dollar value of each pay period will be calculated by dividing the Aggrieved Employees' portion of the PAGA payment (i.e., \$5,000) by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period. Partial pay periods will be rounded up to the nearest whole number. Each individual Aggrieved Employee will receive an individual PAGA settlement payment determined by multiplying the number pay periods worked by the Aggrieved Employee during the PAGA Period by the dollar value of each pay period. Aggrieved Employees will receive their pro-rate share of the PAGA amount allocated to Aggrieved Employees regardless of whether they submit a valid Opt-Out form.

Currently, it is estimated that you will receive approximately \$_____ for the Class Period and \$_____ for the PAGA Period. This is based on Defendant's records showing you worked _____ workweeks during the Class Period and _____ pay periods during the PAGA period. This amount can change depending on how much the court awards in attorneys' fees, litigation expenses, the Incentive Awards to the Plaintiff, and the number of Class Members who ask to be excluded from the settlement. Payments to participating Class Members will vary depending on the workweeks worked, however, the range of payments is estimated to be between \$_____ and \$_____.

Settlement checks issued to Class Members and Aggrieved Employees will expire one hundred and eighty (180) days from the date they are issued by the Settlement Administrator. The money from the uncashed checks, plus any interest accrued thereon, shall be directed to the Controller of the State of California to be held in Class Members' and Aggrieved Employees' names pursuant to the Unclaimed Property Law.

4. Tax Matters.

For tax purposes, your settlement payment from the Payout Fund will be allocated as follows: 20% as wages; 80% as interest and penalties. If you are an Aggrieved Employee, your settlement payment from the PAGA payment will be allocated 100% as penalties. The Settlement Administrator will distribute IRS Forms W-2 and 1099 (and the equivalent California forms) to participating Class Members and Aggrieved Employees reflecting the payments each Class Member or Aggrieved Employee receives under the Settlement. Forms W-2 and/or Forms 1099 will be distributed at times and in the manner required by the Internal Revenue Code.

Interest and penalties paid under this Settlement shall not be subject to federal, state and local payroll withholding taxes. The Settlement Administrator shall issue an IRS form 1099 for payments of interest and penalties. The usual and customary deductions will be taken out of the amounts attributable to unpaid wages. Class Members should consult with their tax advisors concerning the tax consequences of the payment they receive under the Settlement.

E. What are you giving up to get a payment or stay in the Class?

Upon the date Defendant fully funds the Settlement, Plaintiff and all participating Class Members, will be deemed to have released Defendant, and any of its former and present parents, subsidiaries, affiliates, and other officers, directors, employees, partners, and agents, and any other successors, assigns, or legal representatives (the “Released Parties”), from all class claims alleged in and relating to any and all facts and claims asserted in the Action or any other claims that could have been asserted in the Action based on the facts alleged, including but not limited to meal and rest breaks and failure to pay premiums for missed meal and rest breaks at the regular rate; minimum wages, overtime and double time wages (including, but not limited to, any claims for wages owed based on separate pay owed for rest periods; any and all theories for or related to “off-the-clock work”; wage statement violations; separation pay violations; failure to timely pay wages; unreimbursed business expenses; unfair business practices which occurred during the Class Period (the “Released Class Claims”).

Upon the date Defendant fully funds the Settlement, Plaintiff and all Aggrieved Employees, regardless of whether they submit an Opt-out form, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, will be deemed to have released the Released Parties from all PAGA claims alleged in the operative complaint and Plaintiff’s PAGA notice to the LWDA and any other amended notices to the LWDA, which occurred during the PAGA Period, regardless of whether Aggrieved Employees submit a Request for Exclusion (“Released PAGA Claims”). The Released PAGA Claims include all PAGA claims that could have been premised on the facts alleged in the Plaintiff’s LWDA Letter and the operative Complaint. Aggrieved Employees will release the Released PAGA Claims even if they request exclusion from the class settlement. The foregoing release shall be binding on Plaintiff, the Aggrieved Employees, and the State of California, and shall bar by res judicata any claim under the PAGA brought by any person, including the Aggrieved Employees, on behalf of the State of California, as to any claims predicated on the Released PAGA Claims. Even if you exclude yourself from the class settlement, if you are an Aggrieved Employee you will release the Released PAGA Claims and receive a check for your portion of the PAGA penalties.

“**Effective Date**” means the date on which the Court grants final approval of this settlement. Such order becomes final upon the following events: (i) upon the Court issuing an order granting final approval of this settlement if no objections to the settlement are filed, or if an objection is filed but is withdrawn prior to the Court’s Final Approval Hearing (as defined below); or (ii) in the event there are written objections filed prior to the Final approval hearing which are not thereafter withdrawn prior to the hearing, the later of the following events: (a) the day after the last day by which a notice of appeal of the order may be timely filed with the California Court of Appeal, and none is filed; (b) if an appeal is

filed and is finally disposed of by ruling, dismissal, denial, or otherwise, the day after the last date for filing a request for further review of the Court of Appeal's decision passes and no further review is requested, and if the terms of this settlement are not materially modified by the Court of Appeal; (c) if an appeal is filed and there is a final disposition by ruling, dismissal, denial, or otherwise by the Court of Appeal, and further review of the Court of Appeal's decision is requested, the day after the request for review is denied with prejudice and/or no further review of the order can be requested, and if the terms of this settlement are not materially modified by the Court of Appeal; or (d) if review is accepted, the day the Supreme Court of the State of California affirms the Settlement, provided that it does not materially modify any terms of this settlement.

THE FINAL APPROVAL HEARING

Presently, the Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, reasonable and adequate. The Court will conduct a final approval hearing regarding the proposed settlement (the "Final Approval Hearing") on DATE at TIME, in Department SSC-6 of the Los Angeles Superior Court located at 312 N. Spring Street, Los Angeles, California 90012. The Court will determine: (i) whether the settlement should be given the Court's final approval as fair, reasonable, adequate and in the best interests of the participating Class Members; (ii) whether the participating Class Members should be bound by the terms of the settlement; (iii) the amount of the attorneys' fees and litigation costs that should be awarded to Plaintiff's counsel; and (iv) the amount that should be awarded to the Plaintiff as an Incentive Award. At the Final Approval Hearing, the Court will hear all objections, as well as 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, or to enter an appearance and represent yourself. Pursuant to recent social distancing procedures for attendance at hearings and review of court files, attached to this notice are the following documents: (1) Call Center Phone Numbers (available at www.lacourt.org/newsmedia/ui/pdf/CALLCENTERPHONENUMBERSfinal.pdf); and (2) Appear for Your Hearing Remotely (available at <https://www.lacourt.org/lacc/>). If you decide to hire an attorney to represent you, you will be solely responsible for paying any attorneys' fees and/or costs associated with that representation.

The Settlement Administrator will give notice to any objecting party of any continuance of the hearing on the Motion for Final Approval. Additionally, you may contact Plaintiff's counsel, listed at the end of this notice, to inquire into the date and time of the Final Approval hearing.

Condition of Settlement. This settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing fully and finally approving the Settlement as fair, reasonable, adequate and in the best interests of the participating Class Members.

WHAT ARE YOUR OPTIONS?

- **OPTION 1 – GET A PAYMENT**

IF YOU ARE A SETTLEMENT CLASS MEMBER AND WISH TO RECEIVE YOUR SHARE OF THE SETTLEMENT, THEN YOU DO NOT HAVE TO DO ANYTHING AND YOU WILL AUTOMATICALLY RECEIVE A SETTLEMENT PAYMENT. YOU ARE NEVER REQUIRED TO GO TO COURT OR PAY ANYTHING TO THE LAWYERS IN THIS CASE.

The number of workweeks you worked during the Class Period, the number of pay periods you worked during the PAGA Period, if any, and the estimated amount of your settlement payment is set forth above in this notice. If you believe that the number of workweeks or pay periods stated is incorrect, you may dispute it by timely producing evidence to the Settlement Administrator showing that the pay period information is inaccurate. To be considered, your dispute must be sent by first class U.S. mail to the Settlement Administrator and must be postmarked no later than ___, 2024 or 45 days after mailing of this notice to you (“Class Member Exclusion Deadline”). If you believe that your stated number of pay periods is correct, you do not have to do anything.

The Settlement Payment you will receive will be a full and final settlement of your Released Claims described above.

- **OPTION 2 – EXCLUDE YOURSELF FROM THE SETTLEMENT**

You have a right to exclude yourself (“Opt-Out”) from the Settlement, but if you choose to do so, you will not receive any payment from the proposed settlement. You will **not** be bound by a judgment in this case and you will not release the Class Claims released by the settlement as described in Section E of this notice. However, even if you exclude yourself from the settlement, if you are an Aggrieved Employee you will release the Released PAGA Claims and receive a check for your portion of the PAGA penalties.

You can Opt-Out of the Settlement by submitting a letter to the settlement administrator including your first and last name, your employee identification number or last four digits of your social security number, and indicating that you wish to be excluded from the settlement by stating “I WISH TO BE EXCLUDED FROM THE SETTLEMENT,” or words to that effect. You must also sign and date your letter and send it by first class U.S. mail to the Settlement Administrator at _____. To be valid, your letter must be postmarked no later than ___, 2024 or 45 days after mailing of this notice to you.

- **OPTION 3 – OBJECT TO THE SETTLEMENT**

If you wish to remain a Class Member and retain the ability to participate in any settlement that is approved and receive a settlement payment, but you wish to object to the proposed settlement (or any of its terms) and wish the Court to consider your objection at the Final Approval Hearing, you may object to the proposed settlement in writing by serving a copy of the written objection to the Settlement Administrator by first class U.S. mail.

The written objection must be mailed to the Settlement Administrator, _____ at _____ and must be postmarked no later than ___, 2024 or 45 days after mailing of this notice to you.

You, or an attorney representing you, may also appear at the Final Approval Hearing to object to the settlement.

COUNSEL FOR THE PARTIES

COUNSEL FOR PLAINTIFF/CLASS MEMBERS:

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Salt Lake City, UT 84101
Telephone: (801) 658-6002

CHANGE OF ADDRESS

If you move after receiving this notice, if it was misaddressed, or if for any reason you want your Settlement Payment or future correspondence concerning this Action to be sent to a different address, you must supply your preferred address to the Settlement Administrator.

ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you may review the detailed "Joint Stipulation of Class Action Settlement" which was filed with the Court on DATE and is available for viewing online, along with other court records regarding the Action, on the Court's website, <https://www.lacourt.org>. The pleadings and other records in the Action may also be examined in person at any time during regular business hours at the Office of the Clerk of the Los Angeles County Superior Court, 312 N. Spring Street, Los Angeles, CA 90012.

ALL INQUIRIES REGARDING THIS LITIGATION SHOULD BE MADE TO THE SETTLEMENT ADMINISTRATOR OR CLASS COUNSEL.

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

QUESTIONS?

If you have any questions, you may contact Class Counsel or the Settlement Administrator.

SETTLEMENT ADMINISTRATOR

[INSERT SETTLEMENT ADMINISTRATOR ADDRESS AND PHONE NUMBER]