

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

This Joint Stipulation of Class Action and PAGA Settlement and Release (“Agreement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Nelson Melendez Vega (“Mr. Vega”) and Plaintiff Jennifer Sanchez (“Ms. Sanchez”), jointly referred to as “Plaintiffs”, on behalf of all others similarly situated and aggrieved employees, and Defendant Seven Seventeen, Inc. (“Defendant”) (collectively with Plaintiffs, the “Parties”).

This Settlement Agreement shall be binding on Plaintiffs, Class Members (as defined herein) , PAGA Members (as defined herein), and on Defendant, subject to the terms and conditions hereof and the approval of the Court.

RECITALS

1. On October 29, 2021, Mr. Vega filed a Class Action Complaint for Damages (“*Vega* Complaint”) against Defendant in the Superior Court of California for the County of Los Angeles, Case No. 21STCV39914 (“*Vega* Action”), alleging seven (7) causes of action for failure to pay overtime wages, failure to provide meal periods, failure to provide rest periods, willful failure to pay wages, failure to provide accurate itemized wage statements, violations of California Business and Professions Code §§ 17200, *et seq.*, and civil penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code Section 2698, *et seq.* (“PAGA”). The *Vega* Action’s PAGA claim(s) was filed on behalf of persons who worked as non-exempt hourly wage earners in California for Defendant since October 27, 2020. The *Vega* Action’s class action claims was filed on behalf of persons who worked as non-exempt hourly wage earners in California for Defendant since June 1, 2017.

2. On February 27, 2020, Ms. Sanchez filed a Complaint for Damages, Injunctive, Restitutionary, and Declaratory Relief against Defendant in the Superior Court of California for the County of Los Angeles, Case No. 20STCV18720 (“*Sanchez Action*”). Thereafter, on or around September 22, 2020, Ms. Sanchez filed her operative First Amended Complaint (“*Sanchez First Amended Complaint*”), alleging the following causes of action: (1) Violations of Cal. Labor Code sections 510 & 204.3, (2) Violations of Cal. Labor Code section 512, (3) Violations of Cal. Labor Code section 226.7, (4) Violations of Cal. Labor Code sections 226, (5) Violations of Cal. Labor Code sections 204 & 210, (6) Violations of Cal. Labor Code sections 226(c), (7) Violations of Cal. Labor Code sections 1198.5, (8)

Violations of Cal. Bus. & Prof. Code section 17200, and (9) and civil penalties pursuant to the PAGA, California Labor Code Section 2698, *et seq.* The *Sanchez* Action's PAGA claim(s) was filed on behalf of persons who worked as non-exempt hourly wage earners in California for Defendant since December 24, 2018. Ms. Sanchez's causes of action one (1) through eight (8) are her individual claims not subject to this agreement as Ms. Sanchez and Defendant settled them separate and apart from the herein detailed settlement in exchange for a full release and waiver of all claims (including CCP 1542) ("Ms. Sanchez's Individual Settlement"). Ms. Sanchez's PAGA claim(s) is/are specifically excepted from Ms. Sanchez's Individual Settlement. Accordingly, Ms. Sanchez is entitled to, and will receive, her "Individual PAGA Payment" (as defined herein), but is not entitled to, and will be excluded from receiving, an "Individual Settlement Share" / "Individual Settlement Payment" (as defined herein) from the Class Settlement (as defined herein).

3. On February 10, 2022, the Court ordered that the *Vega* Action and *Sanchez* Action are related cases within the meaning of California Rules of Court, Rule 3.300 (a), and that the *Vega* Action is the lead case. The *Vega* Action and *Sanchez* Action will be jointly referred to as "Related Actions" or "Actions".

4. Defendant denies all material allegations set forth in the Actions, defined below, and has asserted numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation, Defendant desires to fully and finally settle the Related Actions and Released Claims (as defined herein).

5. Plaintiffs' Counsel in the Related Actions diligently investigated the proposed "Class Members" (as defined herein), and PAGA Members' (as defined herein) claims against Defendant, including any and all applicable defenses and the applicable law. The investigation included, *inter alia*, the exchange of information, data, and documents, and review of numerous corporate policies and practices, as well as deposition transcripts of Plaintiffs.

6. On April 29, 2020, the Parties participated in mediation with Tripper Ortman. (the "Mediator"), a respected mediator of complex wage and hour actions. The parties took strong opposing positions on the merits and valuation and the case did not settle that day. The parties continued to participate in settlement discussions that were facilitated by the Mediator and, as a result of these discussions, have agreed to settle the issues, matters and things in dispute between and among them

pursuant to the terms of this Settlement Agreement. The settlement discussions were conducted at arm's-length, and the settlement is the result of an informed and detailed analysis of Defendant's potential liability and exposure in relation to the costs and risks associated with continued litigation. Based on the documents produced, as well as Plaintiffs' Counsel's own independent investigations and evaluations, Plaintiffs' Counsel believe that the settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members and PAGA Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendant. The Parties enter the Joint Stipulation of Class Action and PAGA Settlement and Release, and seek preliminary approval thereof.

7. The Parties expressly acknowledge that this Settlement Agreement is entered into solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant. If for any reason the Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

DEFINITIONS

8. The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

a. "Plaintiffs' Counsel" means A. Jacob Nalbandyan and Charlene L. Nercess of Levin & Nalbandyan, LLP, counsel for Plaintiff Mr. Vega, and J.B. Twomey of Twomey Law, P.C, counsel for Plaintiff Ms. Sanchez.

b. "Class Counsel" means A. Jacob Nalbandyan and Charlene L. Nercess of Levin & Nalbandyan, LLP, counsel for Plaintiff Mr. Vega, who will seek to be appointed counsel for the Class (as defined below).

c. "Attorneys' Fees and Costs" means attorneys' fees approved by the Court for Plaintiffs' Counsels' litigation and resolution of the Related Actions, and all actual costs incurred and to be incurred by Plaintiffs' Counsel in the Related Actions, as set forth in Paragraph 12 below.

d. "Class and PAGA Data and List" means a complete list of all Class and PAGA Members that Defendant will diligently and in good faith compile from its records and provide to the

1 Settlement Administrator within thirty (30) calendar days after Preliminary Approval. The Class and
2 PAGA Data and List will include each Class and PAGA Member's full name, last known mailing
3 address, Social Security Number, dates worked for Defendant during the Class and/or PAGA Period(s),
4 and such other information as is necessary for the Settlement Administrator to calculate Workweeks (as
5 defined below) and PAGA Workweeks (as defined below).

6 e. "Class Member(s)" or "Class" mean all current and former non-exempt employees
7 employed by Defendant at any time from June 1, 2017 through the date of preliminary approval, except
8 Ms. Sanchez. Defendant represents that the number of Class Members is approximately 312 as of the
9 date of this agreement.

10 f. "Class Notice" means the Notice of Class Action Settlement, substantially in the
11 form attached as "**Exhibit A.**"

12 g. "Class Period" means the time period from June 1, 2017 through the date of
13 preliminary approval.

14 h. "Class Representative" means Nelson Melendez Vega.

15 i. "Plaintiffs" means Nelson Melendez Vega and Jennifer Sanchez.

16 j. "Class Settlement" means the Settlement Class Members' settlement and release
17 of Released Class Claims.

18 k. "Court" means the Superior Court of the State of California for the County of Los
19 Angeles.

20 l. "Defendant" means Seven Seventeen, Inc.

21 m. "Defendant's Counsel" means Howard Knee and Taylor Morosco of Blank Rome
22 LLP.

23 n. "Effective Date" means the date when all of the following events have occurred:
24 (1) the Settlement Agreement has been executed by all Parties, Plaintiffs' Counsel, and Defendant's
25 Counsel; (2) the Court has given preliminary approval to the Settlement; (3) the Class Notice has been
26 mailed to the Class Members, providing them with an opportunity to object to the terms of the Settlement
27 or opt out of the Settlement; (4) the Court has held a Final Approval Hearing and entered a Final
28 Approval Order and Judgment; (5) sixty-five calendar days have passed since the Court entered a Final

1 Approval Order and Judgment; and (6) in the event there are written objections filed prior to the Final
2 Approval Hearing which are not later withdrawn or denied or motions under California Code of Civil
3 Procedure Section 663, the later of the following events: five business days after the period for filing
4 any appeal, writ, or other appellate proceeding opposing the Court's Final Approval Order and Judgment
5 has elapsed without any appeal, writ, or other appellate proceeding having been filed; or, if any appeal,
6 writ, or other appellate proceeding opposing the Court's Final Approval Order and Judgment has been
7 filed, five business days after any appeal, writ, or other appellate proceedings opposing the Settlement
8 has finally and conclusively dismissed with no right to pursue further remedies or relief.

9 o. "Enhancement Payment" means the amount to be paid to Class Representative
10 Mr. Vega in recognition of his effort and work in prosecuting the *Vega* Action on behalf of Class
11 Members and in exchange for a general release, as set forth in Paragraph 13 below.

12 p. "Final Approval" means the determination by the Court that the settlement is fair,
13 reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

14 q. "Final Approval Hearing" means the hearing at which the Court will consider and
15 determine whether the settlement should be granted Final Approval.

16 r. "Individual PAGA Payment" means the payment of each PAGA Member's *pro*
17 *rata* share of 25% of the PAGA Amount, as provided in Paragraph 16 below.

18 s. "Individual Settlement Payment" means the net payment of each Settlement Class
19 Member's Individual Settlement Share, after reduction for the employee's share of taxes and
20 withholdings with respect to the wages portion of the Individual Settlement Share, as provided in
21 Paragraph 27 below.

22 t. "Individual Settlement Share" means the *pro rata* share of the Net Settlement
23 Amount that a Class Member may be eligible to receive under the Settlement Agreement, to be
24 calculated in accordance with Paragraph 16.

25 u. "LWDA Payment" means the amount that the Parties have agreed to pay to the
26 California Labor and Workforce Development Agency ("LWDA") for its seventy-five percent (75%)
27 share of the PAGA Amount, as set forth in Paragraph 15.

28 v. "Net Settlement Amount" means the portion of the Total Settlement Amount that

1 is available for distribution to Settlement Class Members, which is the Total Settlement Amount less
2 the Court-approved Enhancement Payment, Settlement Administration Costs, PAGA Amount, and
3 Attorneys' Fees and Costs.

4 w. "Notice of Objection" means a Class Member's valid and timely written objection
5 to the Class Settlement, which must be in writing and include: (a) the case name and case number; (b)
6 the objector's full name, signature, address, and telephone number, and the last four digits of his or her
7 Social Security number, (c) a written statement of all grounds for the objection accompanied by any
8 legal support for such objection, and (d) copies of any papers, briefs, or other documents upon which
9 the objection is based.

10 x. "Operative Complaints" means the *Vega* Complaint and *Sanchez* First Amended
11 Complaint.

12 y. "PAGA Amount" means the amount of twenty-five thousand dollars (\$25,000)
13 which is the total amount Parties have agreed to allocate toward civil penalties under the Private
14 Attorneys General Act, as described in Paragraph 15.

15 z. "PAGA Members" means all current and former non-exempt employees employed
16 by Defendant at any time from December 24, 2018 through the date of preliminary approval. Defendant
17 represents that the number of PAGA Members is approximately 261 as of the date of this agreement.

18 aa. "PAGA Period" means the time period from December 24, 2018 through the date
19 of preliminary approval.

20 bb. "PAGA Settlement" means the PAGA Members' settlement and release of
21 Released PAGA Claims.

22 cc. "Parties" means Plaintiffs and Defendant, collectively, and "Party" means either
23 Plaintiff or Defendant.

24 dd. "PAGA Workweek(s)" means the number of weeks each PAGA Member worked
25 for Defendant as an hourly-paid or non-exempt employee during the PAGA Period, which will be
26 calculated by the Settlement Administrator by determining the number of days between the start and
27 end dates of employment during the PAGA Period, divided by seven (7). Each PAGA Member will be
28 credited with at least one (1) PAGA Workweek.

1 ee. "Preliminary Approval" means entry of the Court order granting preliminary
2 approval of the Settlement Agreement.

3 ff. "Released Class Claims" means any and all claims and damages, but not including
4 any and all claims for civil penalties under the Private Attorneys General Act of 2004, arising from any
5 of the facts alleged in the *Vega* Complaint / Action during the Class Period against Released Parties,
6 including Defendant's alleged failure to pay minimum wages, failure to pay overtime wages, failure to
7 provide meal and rest periods, failure to issue accurate itemized wage statements, and violation of
8 California Business and Professions Code sections 17200, *et seq.*, for, *inter alia*, failure to pay overtime
9 and minimum wages, provide meal and rest periods and associated premium payments, timely pay
10 wages during employment and upon termination, provide compliant wage statements, maintain
11 complete and accurate payroll records, and reimburse necessary business-related expense.

12 gg. "Released PAGA Claims" means any and all claims for civil penalties under the
13 Private Attorneys General Act of 2004 arising from any of the facts alleged in both Plaintiffs' Operative
14 Complaints during the period from December 24, 2018 through the date of preliminary approval against
15 Released Parties.

16 hh. "Released Parties" means Defendant, and all its present and former parent
17 companies and trusts, subsidiaries, divisions, related or affiliated companies and trusts, shareholders,
18 officers, directors, employees, agents, attorneys, insurers, successors and assigns.

19 ii. "Request for Exclusion" means a timely letter submitted by a Class Member
20 indicating a request to be excluded from the Class Settlement. The Request for Exclusion must: (a)
21 contain the case name and case number, (b) be signed by the Class Member, (c) contain the full name,
22 address, telephone number, and the last four digits of the Social Security Number of the Class Member
23 requesting exclusion, (d) clearly state that the Class Member does not wish to be included in the Class
24 Settlement, and I be returned by mail to the Settlement Administrator at the specified address,
25 postmarked on or before the Response Deadline. The date of the postmark on the return mailing
26 envelope on the submission will be the exclusive means to determine whether a Request for Exclusion
27 has been timely submitted. A Class Member who does not request exclusion from the Class Settlement
28 will be deemed a Settlement Class Member and will be bound by all terms of the Class Settlement, if

1 the settlement is granted Final Approval by the Court.

2 jj. “Response Deadline” means the deadline by which Class Members must submit
3 a Request for Exclusion, objection, and/or dispute of the Workweeks credited to them, which shall be
4 the date that is sixty (60) calendar days from the initial mailing of the Class Notice by the Settlement
5 Administrator, unless the 60th day falls on a Sunday or Federal holiday, in which case the Response
6 Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response
7 Deadline may also be extended by express agreement between Class Counsel and Defendant’s Counsel.
8 Under no circumstances, however, will the Settlement Administrator have the authority to extend the
9 Response Deadline. In the event that a Class Notice is re-mailed to a Class Member, the Response
10 Deadline for that Class Member shall be the later of sixty (60) calendar days from the initial mailing of
11 the Class Notice or fifteen (15) calendar days from the date of the re-mailing.

12 kk. “Settlement Administrator” means Phoenix Settlement Administrators, or any
13 other third-party class action settlement administrator agreed to by the Parties and approved by the Court
14 for purposes of administering this settlement. The Parties each represent that they do not have any
15 financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement
16 Administrator that could create a conflict of interest.

17 ll. “Settlement Administration Costs” means the costs payable from the Total
18 Settlement Amount, subject to Court approval, to the Settlement Administrator for administering this
19 settlement, as set forth in Paragraph 14 below.

20 mm. “Settlement Class Members” means all Class Members who do not submit a valid
21 and timely Request for Exclusion. And by virtue of Ms. Sanchez’s Individual Settlement, Ms. Sanchez
22 is not a Settlement Class Member.

23 nn. “Total Settlement Amount” means the amount of Three Hundred Eighty
24 Thousand Dollars (\$380,000.00) to be paid by Defendant in full resolution of the Released Class Claims
25 and Released PAGA Claims alleged in the Related Actions, which includes all Attorneys’ Fees and
26 Costs, Mr. Vega’s Enhancement Payment, PAGA Amount, Net Settlement Amount to be paid to the
27 Settlement Class Members, and Settlement Administration Costs. The employer’s share of taxes on the
28 wages portion of Individual Settlement Shares will be paid separately and in addition to the Total

Settlement Amount.

oo. “Workweek(s)” means the number of weeks each Class Member worked for Defendant as an hourly-paid or non-exempt employee during the Class Period which will be calculated by the Settlement Administrator by determining the number of days between the start and end dates of employment during the Class Period, divided by seven (7). Each Class Member will be credited with at least one (1) Workweek.

CLASS CERTIFICATION

9. For the purposes of this settlement only, the Parties stipulate to the certification of the following Class: all current and former non-exempt employees employed by Defendant at any time during the Class Period.

10. The Parties agree that certification for the purpose of settlement is not an admission that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for whatever reason, the Court not grant Final Approval, or if Judgment thereon not become final, the Parties' stipulation to class certification as part of the settlement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not certification would be inappropriate in a non-settlement context in this or any other proceeding.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

11. Funding of the Total Settlement Amount. Within fifteen (15) calendar days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting of the amounts to be paid by Defendant pursuant to the terms of the Settlement Agreement. Within thirty (30) calendar days of the Effective Date, Defendant will make a one-time deposit of the Total Settlement Amount into a settlement account to be established by the Settlement Administrator. Within seven (7) calendar days of the funding of Total Settlement Amount, the Settlement Administrator will issue payments due under the settlement and approved by the Court, as follows: (a) Individual Settlement Payments to Settlement Class Members; (b) Individual PAGA Payments to PAGA Members; (c) LWDA Payment to the Labor and Workforce Development Agency; (d) Enhancement Payment to Class Representative Mr. Vega;

1 and (e) Attorneys' Fees and Costs to Plaintiff's Counsel. The Settlement Administrator will also issue
2 a payment to itself for Court-approved services performed in connection with the settlement.

3 12. Attorneys' Fees and Costs. Plaintiffs' Counsel will request and Defendant will not
4 oppose attorneys' fees of up to thirty-five percent (35%) of the Total Settlement Amount (i.e., up to One
5 Hundred Thirty Three Thousand Dollars (\$133,000)) and reimbursement of actual costs and expenses
6 associated with Plaintiffs' Counsel's litigation and settlement of the Related Actions, in an amount not
7 to exceed Thirty Thousand Dollars (\$30,000), all of which will be paid from the Total Settlement
8 Amount subject to Court approval. These amounts will cover any and all work performed and any and
9 all costs incurred by Plaintiffs' Counsel in connection with the litigation of the Related Actions,
10 including without limitation all work performed and costs incurred to date, and all work to be performed
11 and all costs to be incurred in connection with obtaining the Court's approval of this Settlement
12 Agreement, including any objections raised and any appeals necessitated by those objections. Plaintiffs'
13 Counsel shall be solely and legally responsible for correctly characterizing this compensation for tax
14 purposes and for paying any taxes on the amounts received. With respect to the Attorneys' Fees and
15 Costs to Plaintiffs' Counsel, the Settlement Administrator may purchase an annuity to utilize United
16 States Treasuries and bonds or other attorneys' fees deferral vehicles, for Plaintiffs' Counsel, which
17 shall not have any adverse affect on Defendant, Defendant's counsel, or Defendant's settlement of the
18 Related Actions or payment of the Total Settlement Amount. Any additional expenses for the purchase
19 of an annuity by the Settlement Administrator shall be paid separately by Plaintiffs' Counsel and shall
20 not be included within the Settlement Administration Costs. Any portion of the Attorneys' Fees and
21 Costs not awarded to Plaintiffs' Counsel shall be a part of the Net Settlement Amount for the benefit of
22 Settlement Class Members.

23 13. Enhancement Payment. In recognition of Class Representative, Mr. Vega's, effort and
24 work in prosecuting the Related Actions, Defendant agrees not to oppose or impede any application or
25 motion for Enhancement Payment in an amount up to Seven Thousand Five Hundred Dollars (\$7,500)
26 to Plaintiff and Class Representative Nelson Mendez Vega. The Enhancement Payment, which will be
27 paid from the Total Settlement Amount, subject to Court approval, will be in addition to his Individual
28 Settlement Payment and, if applicable, Individual PAGA Payment, that are to be paid pursuant to the

1 settlement. The Settlement Administrator will issue an IRS Form 1099 to Mr. Vega for the
2 Enhancement Payment, and Mr. Vega shall be solely and legally responsible for correctly characterizing
3 this compensation for tax purposes and for paying any taxes on the amounts received. Mr. Vega agrees
4 to indemnify and hold Defendant harmless from any claim or liability for taxes, penalties, or interest
5 arising as a result of the Enhancement Payments. Should the Court approve the Enhancement Payment
6 to Mr. Vega in an amount that is less than that set forth above, the difference between the lesser amount
7 approved by the Court and the amount allocated toward the Enhancement Payment will be part of the
8 Net Settlement Amount for the benefit of Settlement Class Members.

9 14. Settlement Administration Costs. The Settlement Administrator will be paid for the
10 reasonable costs of administration of the Settlement and distribution of payments under the settlement,
11 which is currently estimated not to exceed Ten Thousand Dollars (\$10,000). These costs, which will be
12 paid from the Total Settlement Amount, subject to Court approval, will include, *inter alia*, translating
13 the Class Notice in Spanish, printing, distributing, and tracking Class Notices and other documents for
14 this settlement, calculating and distributing payments due under the settlement, issuing of 1099 and W-
15 2 IRS Forms and all required tax reporting, filings, withholdings, and remittances, providing necessary
16 reports and declarations, resolving disputes, as set forth in Paragraph 20 below, and other duties and
17 responsibilities set forth herein to process this settlement, and as requested by the Parties. To the extent
18 actual Settlement Administration Costs are greater than the estimated amount stated herein, such excess
19 amount will be deducted from the Total Settlement Amount, subject to approval by the Court. Any
20 portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in
21 fact required to fulfill payment to the Settlement Administrator to undertake the requirement settlement
22 administration duties will become part of the Net Settlement Amount.

23 15. Civil Penalties Amount Under the Private Attorneys General Act. Subject to approval
24 by the Court, the Parties agree that the amount of Twenty-Five Thousand Dollars (\$25,000) from the
25 Total Settlement Amount will be allocated toward penalties under the Private Attorneys General,
26 California Labor Code Section 2698, *et seq.* ("PAGA Amount"), of which seventy-five percent (75%),
27 or \$18,750, will be paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%) or,
28 \$6,250, will be distributed to PAGA Members.

1 16. Individual Settlement Share and Individual PAGA Payment Calculations.

2 a. Individual Settlement Shares will be calculated and apportioned from the Net
3 Settlement Amount based on the Class Members' Workweeks, as follows:

4 i. After Preliminary Approval of the Settlement, the Settlement
5 Administrator will divide the Net Settlement Amount by the Workweeks of all Class Members to yield
6 the "Estimated Workweek Value," and multiply each Class Member's individual Workweeks by the
7 Estimated Workweek Value to yield his or her estimated Individual Settlement Share that he or she may
8 be eligible to receive under the Settlement.

9 ii. After Final Approval of the Settlement, the Settlement
10 Administrator will divide the final Net Settlement Amount by the Workweeks of all Settlement Class
11 Member to yield the "Final Workweek Value," and multiply each Settlement Class Member's individual
12 Workweeks by the Final Workweek Value to yield his or her Individual Settlement Share.

13 b. Individual PAGA Payments will be calculated and apportioned from the 25% of
14 the PAGA Amount payable to PAGA Members, based on the PAGA Members' PAGA Workweeks, as
15 follows: the Settlement Administrator will divide 25% of the PAGA Amount by the PAGA Workweeks
16 of all PAGA Members to yield the "PAGA Workweek Value," and multiply each PAGA Member's
17 individual PAGA Workweeks by the PAGA Workweek Value to yield his or her Individual PAGA
18 Payment.

19 17. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the
20 settlement shall be deemed to be paid to the payee solely in the year in which such payments actually
21 are issued to the payee. It is expressly understood and agreed that payments made under this settlement
22 shall not in any way entitle Plaintiffs, Settlement Class Members, and/or PAGA Members to additional
23 compensation or benefits under any new or additional compensation or benefits, or any bonus, contest
24 or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle
25 any Settlement Class Member and/or PAGA Member to any increased retirement, 401K benefits or
26 matching benefits, or deferred compensation benefits (notwithstanding any contrary language or
27 agreement in any benefit or compensation plan document that might have been in effect during the Class
28 Period). This paragraph does not apply to, and will have no affect on, Ms. Sanchez's Individual

1 Settlement.

2 18. Delivery of the Class and PAGA Data and List. Within twenty-one (21) calendar days
3 of Preliminary Approval, Defendant will provide the Class Data and List to the Settlement
4 Administrator.

5 19. Notice by First-Class U.S. Mail.

6 a. Within fourteen (14) calendar days after receiving the Class and PAGA Data and
7 List from Defendant, the Settlement Administrator will perform a search based on the National Change
8 of Address Database or any other similar services available, such as provided by Experian, for
9 information to update and correct for any known or identifiable address changes, and will mail a Class
10 Notice in English and Spanish (in the form attached as **Exhibit A** to this Settlement Agreement) to all
11 Class Members via First-Class U.S. Mail, using the most current, known mailing addresses identified
12 by the Settlement Administrator.

13 b. With respect to Class Notices that are returned as undeliverable on or before the
14 Response Deadline, the Settlement Administrator will search for an alternate address by way of skip-
15 trace and re-mail the Class Notice within five (5) calendar days.

16 20. Dispute Regarding Workweeks. Class Members will have an opportunity to dispute the
17 number of Workweeks to which they have been credited, as reflected in their respective Class Notices.
18 PAGA Members will also have an opportunity to dispute the number of PAGA Workweeks to which
19 they have been credited, as reflected in their respective Class Notice. In order to dispute Workweeks
20 and/or PAGA Workweeks, Class Members and/or PAGA Members must submit a written letter to the
21 Settlement Administrator that: (a) contains the case name and case number, (b) is signed by the Class
22 Member and/or PAGA Member, (c) contains the full name, address, telephone number, and the last four
23 digits of the Social Security Number of the disputing Class Member and/or PAGA Member, (d) clearly
24 states that the Class Member and/or PAGA Member disputes the number of Workweeks, and/or PAGA
25 Workweeks where applicable, credited to him or her and what he or she contends is the correct number
26 to be credited to him or her, (e) includes information and/or attaches documentation demonstrating that
27 the number of Workweeks, and/or PAGA Workweeks where applicable, that he or she contends should
28 be credited to him or her are correct, and (f) is returned by mail to the Settlement Administrator at the

1 specified address, postmarked on or before the Response Deadline. The date of the postmark on the
2 return mailing envelope on the submission will be the exclusive means to determine whether a dispute
3 has been timely submitted. Absent evidence rebutting the accuracy of Defendant's records and data as
4 they pertain to the number of Workweeks, and/or PAGA Workweeks where applicable, to be credited
5 to a disputing Class Member and/or PAGA Member, Defendant's records will be presumed correct and
6 determinative of the dispute. However, if a Class Member and/or PAGA Member produces information
7 and/or documents to the contrary, the Settlement Administrator will evaluate the materials submitted by
8 the Class Member, and/or PAGA Member, and the Settlement Administrator will resolve and determine
9 the number of eligible Workweeks, and/or PAGA Workweeks where applicable, that the disputing
10 Class Member and/or PAGA Member should be credited with under the settlement. The Settlement
11 Administrator's decision on such disputes will be final and non-appealable.

12 21. Settlement Checks. The Settlement Administrator will be responsible for undertaking
13 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way
14 of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the
15 PAGA Members in accordance with this Settlement Agreement. Each Individual Settlement Payment
16 and Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180)
17 calendar days from the date the checks are issued, and thereafter, shall be cancelled. All funds
18 associated with such cancelled checks will be transmitted to the Unclaimed Property Division of the
19 State Controller's Office in the name of the Settlement Class Member and/or PAGA Member whose
20 check is cancelled. The Settlement Administrator shall undertake amended and/or supplemental tax
21 filings and reporting, required under applicable local, state, and federal tax laws, that are necessitated due
22 to the cancellation of any Individual Settlement Payment or Individual PAGA Payment checks.
23 Settlement Class Members whose Individual Settlement Payment checks are cancelled shall, nevertheless,
24 be bound by the Class Settlement. PAGA Members whose Individual PAGA Payment checks are
25 cancelled shall, nevertheless, be bound by the PAGA Settlement.

26 22. Procedure for Requesting Exclusion from the Class Settlement. Any Class Member
27 wishing to be excluded from the Class Settlement must submit a written Request for Exclusion to the
28 Settlement Administrator, by mail, within the Response Deadline. The date of the postmark on the

1 return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has
2 been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and
3 Defendant's Counsel the Requests for Exclusion that were timely submitted, and also identify the
4 individuals who have submitted a timely and valid Request for Exclusion in a declaration that is to be
5 filed with the Court in advance of the Final Approval Hearing. Any Class Member who submits a
6 Request for Exclusion is prohibited from making any objection to the Settlement Agreement.

7 23. Effect of Seeking Exclusion. Any Class Member who does not affirmatively request
8 exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion will be
9 bound by the Class Settlement Agreement, including and not limited to those pertaining to the release
10 of Released Class Claims, as well as any judgment that may be entered by the Court if it grants Final
11 Approval to the settlement, as it pertains to the Class Settlement. Any Class Member who submits a
12 timely and Request for Exclusion is nevertheless bound to the PAGA Settlement if he or she is a PAGA
13 Member, as well as any judgment that may be entered by the Court if it grants Final Approval to the
14 settlement, as it pertains to the PAGA Settlement.

15 24. Procedures for Objecting to the Class Settlement. To object to the settlement, Class
16 Members who have not opted out of the Class Settlement (i.e., Settlement Class Members) must submit
17 a timely and complete Notice of Objection to the Settlement Administrator, by mail, on or before the
18 Response Deadline. The Notice of Objection must be signed by the Settlement Class Member and
19 contain all information required by this Settlement Agreement. The postmark date will be deemed the
20 exclusive means for determining that the Notice of Objection is timely. At no time will any of the
21 Parties or their counsel seek to solicit or otherwise encourage Class Members to object to the Settlement
22 or appeal from the Final Approval Order and Judgment. Settlement Class Members may also present
23 their objection orally at the Final Approval Hearing.

24 25. Reports by the Settlement Administrator Regarding Settlement Administration. The
25 Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report which
26 certifies: (a) the number of Class Members who have submitted a dispute of Workweeks; (b) the number
27 of Class Members who have submitted timely and valid Requests for Exclusion or timely and complete
28 Notices of Objection; and (c) the number of undeliverable and re-mailed Class Notices. Additionally,

the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested, and immediately notify the Parties when it receives a request from an individual or any other entity regarding inclusion in the Class and/or settlement.

26. Certification of Completion. Upon completion of administration of the settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

27. Treatment of Settlement Payments.

a. Each Individual Settlement Share will be allocated as follows: one-third (1/3) wages, one-third (1/3) penalties, and one-third (1/3) interest. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to interest and penalties will be reported on an IRS Form-1099 by the Settlement Administrator. The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual Settlement Payment (i.e., payment of their Individual Settlement Share net of these taxes and withholdings). The employer's share of taxes on the wages portion of Individual Settlement Shares will be paid separately and in addition to the Total Settlement Amount.

b. Each Individual PAGA Payment will be allocated as follows: one hundred percent (100%) penalties, to be reported on an IRS Form-1099 by the Settlement Administrator.

28. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiffs, Settlement Class Members, PAGA Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement Administrator will also be responsible for forwarding all payroll taxes, contributions, and withholdings to the appropriate government authorities. The Settlement Administrator shall agree, as a condition of its selection, to indemnify Defendant for any penalties assessed by any taxing or other government authority as a result of a failure by it to properly carry out its duties set forth herein.

29. Tax Liability. Plaintiffs, Class Counsel, Defendant, and Defendant's Counsel do not

1 intend anything contained in this Settlement Agreement to constitute advice regarding taxes or
2 taxability. Plaintiffs, Settlement Class Members, and PAGA Members understand and agree that
3 Plaintiffs, Settlement Class Members, and PAGA Members will be solely responsible for correctly
4 characterizing any compensation received under the settlement on his/her personal income tax returns
5 and paying any and all taxes due for any and all amounts paid to them under the settlement.

6 30. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR
7 PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS
8 SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER
9 PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT
10 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR
11 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS
12 INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE
13 OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF
14 UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS
15 AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS,
16 HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING
17 TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT
18 ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE RECOMMENDATION
19 OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND
20 (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY
21 ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY
22 BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO
23 ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE
24 CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES
25 (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON
26 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX
27 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED
28 BY THIS SETTLEMENT AGREEMENT.

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

5 32. Release of Claims by Settlement Class Members. Upon the Effective Date and full
6 funding of the Total Settlement Amount, Plaintiff and Class Representative Mr. Vega and all Class
7 Members who do not submit a valid and timely Request for Exclusion (i.e., Settlement Class Members)
8 will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and
9 discharged the Released Parties of all Released Class Claims he or she may have or had.

10 33. Release of Claims by PAGA Members. Upon the Effective Date and full funding of the
11 Total Settlement Amount, Plaintiffs and all PAGA Members will be deemed to have fully, finally and
12 forever released, settled, compromised, relinquished, and discharged the Released Parties of all
13 Released PAGA Claims he or she may have or had.

14 34. General Release of Claims by Mr. Vega. In addition, upon the Effective Date and full
15 funding of the Total Settlement Amount, Plaintiff and Class Representative Mr. Vega will be deemed to
16 have fully released and discharged the Released Parties of and from all claims, statutes, common law
17 principles, local rules, or regulations arising from his employment with Defendant, separation of
18 employment from Defendant, and any acts that have or could have been asserted in any legal action or
19 proceeding against Defendant, whether known or unknown, arising under any federal, state, or local law,
20 or statute, including, *inter alia*, those arising under the California Labor Code, Fair Labor Standards Act,
21 Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, Employee Retirement Income
22 Security Act, National Labor Relations Act, California Corporations Code, California Business and
23 Professions Code, California Fair Employment and Housing Act, California Family Rights Act, Family
24 and Medical Leave Act, California Constitution (all as amended), the Industrial Welfare Commission
25 (IWC) wage orders, and law of contract and tort, as well as for discrimination, harassment, retaliation,
26 wrongful termination, misclassification, estoppel or reliance, failure to pay vacation wages, lost wages,
27 benefits, other employment compensation, emotional distress, medical expenses, other economic and non-
28 economic damages, attorney fees, and costs, arising on or before the date on which the Settlement is

1 executed. With respect to those claims released by Mr. Vega in an individual capacity, Mr. Vega
2 acknowledges and waives any and all rights and benefits available under California Civil Code Section
3 1542, which provides:

4
5 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR
6 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR
7 HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF
8 KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER
9 SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

10 Mr. Vega understands and agrees that claims or facts in addition to or different from those which are now
11 known or believed by him to exist may hereafter be discovered. It is Mr. Vega's intention to settle fully
12 and release all claims he now has against the Released Parties, whether known or unknown, suspected or
13 unsuspected. The Enhancement Payment shall be paid to Mr. Vega specifically in exchange for the
14 general release of the Released Parties from all claims, including those specified in this paragraph and a
15 covenant not to sue the Released Parties. Notwithstanding the above, the general release by Mr. Vega
16 shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or
17 other claims that may not be released by law.

18 35. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.

19 Upon execution of this Settlement Agreement, Plaintiffs shall promptly obtain a hearing date for
20 Plaintiffs' Motion for Preliminary Approval of the Settlement, which Plaintiffs, Plaintiffs' Counsel and
21 Class Counsel will be responsible for drafting, and submit this Settlement Agreement to the Court in
22 support of said motion. Plaintiffs' Counsel, or Class Counsel will provide Defendants' Counsel a draft
23 of the Preliminary Approval Motion at least ten (10) calendar days before the filing deadline. Defendant
24 agrees not to oppose the Motion for Preliminary Approval of the Settlement consistent with this
25 Settlement Agreement. Said motion shall apply to the Court for the entry of an order ("Preliminary
26 Approval Order"), which shall be mutually agreed upon by the Parties, seeking the following:

- 27 a. Conditionally certifying the Class for settlement purposes only;
- 28 b. Granting Preliminary Approval of the Settlement;
- c. Preliminarily appointing Plaintiff Mr. Vega as representative of the Class;
- d. Preliminarily appointing Plaintiffs' Counsel, or Class Counsel as counsel for the

1 Class;

2 e. Approving, as to form and content, the mutually-agreed upon and proposed Class
3 Notice and directing its mailing to the Class by first class mail;

4 f. Approving the manner and method for Class Members to request exclusion from
5 the Settlement as contained herein and within the Class Notice; and

6 g. Scheduling a Final Approval Hearing at which the Court will determine whether
7 the Settlement should be finally approved as fair, reasonable and adequate as to the Settlement Class
8 Members.

9 36. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After
10 the Response Deadline, and with the Court's permission, a Final Approval Hearing will be conducted
11 to determine whether Final Approval of the Settlement should be granted, along with the amounts
12 properly payable for (a) Individual Settlement Payments; (b) Individual PAGA Payments; (c) LWDA
13 Payment; (d) Attorneys' Fees and Costs; (e) Enhancement Payment; and (f) Settlement Administration
14 Costs. The Final Approval Hearing will not be held earlier than thirty (30) calendar days after the
15 Response Deadline. Plaintiffs, Plaintiffs' Counsel and Class Counsel will be responsible for drafting
16 the motion seeking Final Approval of the Settlement. Plaintiffs' Counsel, or Class Counsel will provide
17 Defendant's Counsel a draft of the Final Approval Motion at least ten (10) calendar days before the
18 filing deadline. By way of said motion, Plaintiffs will apply for the entry of the mutually-agreed upon
19 proposed order and judgment ("Final Approval Order and Judgment"), which will provide for, in
20 substantial part, the following:

21 a. Approval of the Settlement as fair, reasonable, and adequate, and directing
22 consummation of its terms and provisions;

23 b. Certification of the Settlement Class;

24 c. Approval of the application for Attorneys' Fees and Costs to Plaintiffs' Counsel;

25 d. Approval of the application for Enhancement Payment to Plaintiff Mr. Vega;

26 e. Directing Defendant to fund all amounts due under the Settlement Agreement and
27 ordered by the Court; and

28 f. Entering judgment in the Related Actions, barring all Settlement Class Members

from prosecuting the Released Claims against any of the Released Parties, while maintaining continuing jurisdiction, in conformity with California Rules of Court 3.769 and the Settlement Agreement.

37. Termination or Revocation of Settlement.

a. If five percent (5%) or more of the Class Members submit timely and valid Requests for Exclusion, Defendant may elect to rescind the Settlement Agreement. Defendant must exercise this right of rescission in writing that is provided to Class Counsel within twenty-one (21) calendar days of the Response Deadline. If Defendant exercises this option, Defendant shall pay any costs of settlement administration owed to the Settlement Administrator incurred up to that date.

b. If the Court finds the Total Settlement Amount to be insufficient to warrant Preliminary Approval or Final Approval of the Settlement, Defendant may, at its election, rescind the Settlement Agreement and all actions taken in furtherance of it will thereby be null and void.

38. Effects of Termination of the Settlement. Termination of the Settlement Agreement shall have the following effects:

a. The Settlement Agreement shall be void and shall have no force or effect, and no Party shall be bound by any of its terms;

b. In the event the Settlement Agreement is terminated, Defendant shall have no obligation to make any payments to any Party, Class Member or attorney, except that the terminating Party shall pay the Settlement Administrator for services rendered up to the date the Settlement Administrator is notified that the settlement has been terminated;

c. The Preliminary Approval Order, Final Approval Order and Judgment, including any order certifying the Class, shall be vacated;

d. The Settlement Agreement and all negotiations, statements and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions in the Related Actions prior to the execution of the Settlement Agreement;

e. Neither this Settlement Agreement, nor any ancillary documents, actions, statements or filings in furtherance of the Settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in the Related Actions or any other action for any purpose whatsoever; and

1 f. Any documents generated to bring the settlement into effect, will be null and void,
2 and any order or judgment entered by the Court in furtherance of this Settlement Agreement will
3 likewise be treated as void from the beginning.

4 39. Escalator Clause. Defendant represents that, for the period of June 1, 2017 through the
5 date of this agreement, there were approximately 312 individuals in the Class and approximately 18,076
6 Work Weeks. If it is determined that the total number of Work Weeks increases by more than ten
7 percent (10%) as of the date a Final Approval, then, the Total Settlement Amount will be increased on a
8 proportional basis by the same number of percentage points above ten percent (10%) by which the actual
9 number of Work Weeks exceeds 1,808 (e.g., if the threshold of 18,076 Work Weeks is exceeded by
10 15%, the Total Settlement Amount will increase by 5%).

11 40. Continued Jurisdiction. After entry of judgment pursuant to the Settlement, the Court
12 will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section
13 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and
14 enforcement of the terms of the settlement, (b) settlement administration matters, and (c) such post-
15 judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

16 41. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the
17 terms set forth in any attached exhibits, which are incorporated by this reference as though fully set
18 forth herein. Any exhibits to this Settlement Agreement are an integral part of the settlement.

19 42. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the
20 entirety of the Parties' settlement terms regarding the Release Class Claims and Released PAGA Claims.
21 Except for Ms. Sanchez's Individual Settlement, no other prior or contemporaneous written or oral
22 agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil
23 Code § 1625 and California Code of Civil Procedure § 1856(a), which provide that a written agreement
24 is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence,
25 and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or
26 contradict the terms of this Settlement Agreement.

27 43. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the
28 Related Actions (including with respect to California Code of Civil Procedure section 583.310), except

1 such proceedings necessary to implement and complete the Settlement Agreement, pending the Final
2 Approval Hearing to be conducted by the Court.

3 44. Waiver and Amendment. The Parties may not waive, amend, or modify any provision of
4 this Settlement Agreement except by written agreement signed by counsel for all Parties, and subject to
5 any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement
6 will not constitute a waiver of any other provision.

7 45. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
8 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
9 Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant
10 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
11 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
12 full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement
13 will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to
14 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
15 provisions that otherwise might apply under state or federal law.

16 46. Signatories. It is agreed that because the members of the Class are so numerous, it is
17 impossible or impractical to have each Class Member execute this Settlement Agreement. The Class
18 Notice will advise all Class Members of the binding nature of the Class Settlement as to the Settlement
19 Class Members and the binding nature of the PAGA Settlement as to the PAGA Members, and the
20 release shall have the same force and effect as if this Settlement Agreement were executed by each Class
21 Member.

22 47. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
23 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

24 48. California Law Governs. All terms of this Settlement Agreement and attached exhibits
25 hereto will be governed by and interpreted according to the laws of the State of California.

26 49. Execution and Counterparts. This Settlement Agreement is subject only to the execution
27 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
28 executed counterparts and each of them, including facsimile, electronic, and scanned copies of the

signature page, will be deemed to be one and the same instrument.

50. Acknowledgment that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Related Actions and have arrived at this settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement Agreement. In addition, the Mediator may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

51. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

52. Plaintiffs' Waiver of Right to Be Excluded. Plaintiffs agree to sign this Settlement Agreement and, by signing this Settlement Agreement, are hereby bound by the terms herein.

53. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies, that it has violated any state, federal, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or

to establish the existence of any condition constituting a violation of, or a non-compliance with state, federal, local or other applicable law.

54. Captions. The captions and paragraph numbers in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Settlement Agreement.

55. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed equally to the preparation of this Settlement Agreement.

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

57. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

58. Notices. All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by overnight mail at the addresses set for below, or such other addresses as either Party may designate in writing from time to time:

To Class Counsel:

A. Jacob Nalbandyan, Esq.
Charlene L. Nercess, Esq.
LEVIN & NALBANDYAN, LLP
11132 Ventura Boulevard,
Los Angeles, California 91604

To Defendant:

Howard Knee, Esq.
Taylor Morosco, Esq.
BLANK ROME LLP
2029 Century Park East, 6th Floor
Los Angeles, California 90067

59. Final Judgment. The Parties shall provide the Settlement Administrator with a copy of

the Final Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final Judgment on its website within three (3) business days of receipt. No individualized notice to the Class will be required.

60. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

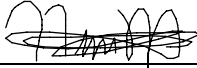
61. Integration Clause. This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, excluding Ms. Sanchez's Individual Settlement, are merged herein. No rights hereunder may be waived except in writing.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this First Amended Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiffs and Defendant:

IT IS SO AGREED.

[SIGNATURES ON THE FOLLOWING PAGE]

Dated: 10/25/2023, 2023

PLAINTIFF NELSON MELENDEZ VEGA
Electronically Signed 2023-10-25 17:58:58 UTC - 172.56.233.222

Nintex AssuranceSign® 204ca35d-09ab-45af-be12-b0a601121380
Nelson Melendez Vega, Plaintiff

PLAINTIFF JENNIFER SANCHEZ

Dated: Oct 24, 2023, 2023


Jennifer Sanchez (Oct 24, 2023 13:07 PDT)

Jennifer Sanchez, Plaintiff

DEFENDANT SEVEN SEVENTEEN, INC.

Dated: _____, 2023

Full Name: _____

Title: _____

On behalf of Seven Seventeen, Inc.

APPROVED AS TO FORM

LEVIN & NALBANDYAN, LLP

Dated: October 25, 2023

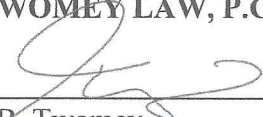

A. Jacob Nalbandyan

Charlene L. Nercess

Attorneys for Plaintiff Nelson Melendez Vega and
Proposed Class Counsel

TWOMEY LAW, P.C.

Dated: October 24, 2023


J.B. Twomey

Attorney for Plaintiff Jennifer Sanchez

BLANK ROME LLP

Dated: _____, 2023

Howard Knee

Taylor Morosco

Attorneys for Defendant Seven Seventeen, Inc.

PLAINTIFF JENNIFER SANCHEZ

Dated: _____, 2023

Jennifer Sanchez, Plaintiff

DEFENDANT SEVEN SEVENTEEN, INC.

Dated: October, 18, 2023

DocuSigned by:

Ricardo Leon

A59FF7B5B87D4F6...

Full Name: Ricardo Leon

Title: Franchisee

On behalf of Seven Seventeen, Inc.

APPROVED AS TO FORM

LEVIN & NALBANDYAN, LLP

Dated: _____, 2023

A. Jacob Nalbandyan
Charlene L. Nercess
*Attorneys for Plaintiff Nelson Melendez Vega and
Proposed Class Counsel*

TWOMEY LAW, P.C.

Dated: _____, 2023

J.B. Twomey
Attorney for Plaintiff Jennifer Sanchez

BLANK ROME LLP

Dated: October 18, 2023

Jayla Morosco

Howard Knee
Taylor Morosco
Attorneys for Defendant Seven Seventeen, Inc.