

CLASS, COLLECTIVE, AND REPRESENTATIVE SETTLEMENT
AGREEMENT AND CLASS NOTICE

This Class, Collective, and Representative Action Settlement Agreement (“Agreement” or “Settlement Agreement”) is made by and between Plaintiff Robert Estrada (“Plaintiff”) and Defendant TRC Engineers, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1 “Action” means the class and representative action case titled *Robert Estrada v. TRC Companies, Inc., et al.*, initiated on October 7, 2021, in the Los Angeles Superior Court, and assigned Case No. 21STCV37078.

1.2 “Aggrieved Employee(s)” mean all past and present non-exempt employees of Defendant who worked in California from October 3, 2020, through the date the Court preliminary approves the settlement. Aggrieved Employees may not opt-out of the PAGA portion of the settlement and will receive payment in proportion to the number of pay periods they worked during the PAGA Period.

1.3 “Administrator” means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement. The Parties, Class Counsel, and Defense Counsel each represent that they do not have any financial interest in the Administrator or otherwise have a relationship with the Administrator that could create a conflict of interest.

1.4 “Administration Expenses Payment” means the costs payable from the Gross Settlement Amount to the Administrator for administering this Settlement, including, but not limited to, translating the Class Notice from English to Spanish, printing, distributing, and tracking documents for this Settlement, calculating estimated amounts per Class Member, tax reporting, distributing the Gross Settlement Amount, and providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement Agreement, and as requested by the Parties and/or ordered by the Court.

1.5 “Class Counsel” means the attorneys of Moon Law Group, PC, including Kane Moon, Allen Feghali, and Charlotte Mikat-Stevens, on behalf of Plaintiff and Class Members.

1.6 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and actual expenses, respectively, incurred to prosecute the Action.

1.7 “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

1.8 “Class Member(s)” or “Settlement Class” means all past and present non-exempt employees of Defendant who worked in California from October 7, 2017, through the date the Court preliminary approves the settlement.

1.9 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods, and means, including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.10 “Class Notice” means the “COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL,” to be mailed to Class Members in English and Spanish in the form, without material variation, attached hereto as **Exhibit A** and incorporated by reference into this Agreement.

1.11 “Class Period” means the period beginning October 7, 2017, and continuing through the date the Court preliminary approves the settlement.

1.12 “Class Representative” means the named Plaintiff, Robert Estrada, in the Action seeking Court approval to serve as Class Representative.

1.13 “Class Representative Enhancement Payment” means the amount to be paid to Plaintiff in recognition of his effort and work in prosecuting the Action on behalf of Class Members, the State of California, and Aggrieved Employees and in exchange for providing a general release and waiver of rights under the California Civil Code section 1542.

1.14 “Court” means the Superior Court of California, County of Los Angeles.

1.15 “Defense Counsel” means the attorneys of Clark Hill LLP on behalf of Defendant.

1.16 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its order granting final approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment (i.e., sixty-one (61) days); or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

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

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

1.19 “Gross Settlement Amount” means the sum of Two Million Two Hundred Thousand Dollars and Zero Cents (\$2,200,000.00) to be paid by Defendant in full and final satisfaction of all claims arising from the Action, except as provided in Paragraphs 3.1 and 4.1 below. The Gross Settlement Amount will be used to cover all Individual Class Payments to Participating Class Members, Individual PAGA Payments to Aggrieved Employees, the Class Representative Enhancement Payment to Plaintiff, Administration Expenses Payment to the Administrator, the LWDA PAGA Payment, the Class Counsel Fees Payment, and the Class Counsel Litigation Expenses Payment.

1.20 “Judgment” means the Judgment entered by the Court upon granting Final Approval of the Settlement.

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

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

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

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

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

1.26 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion. Such Class Member shall still be bound by the PAGA Release if such Class Member is an Aggrieved Employee.

1.27 “Operative Complaint” means Plaintiff’s First Amended Class and Representative Action Complaint filed in this Action on August 25, 2022.

1.28 “PAGA” means the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*).

1.29 “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.30 “PAGA Period” means any time between October 3, 2020, through the date the Court preliminary approves the Settlement.

1.31 “PAGA Notice” means Plaintiff’s letter to TRC Companies, Inc., and TRC Companies, LLC, and the LWDA, dated October 3, 2021 (Case No. LWDA-CM-847103-21), providing notice pursuant to Labor Code § 2699.3, subd.(a).

1.32 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, One Hundred and Fifty Thousand Dollars and Zero Cents (\$150,000.00), allocated as 25% to the Aggrieved Employees (Thirty-Seven Thousand Five Hundred Dollars and Zero Cents (\$37,500.00)), and the 75% to the LWDA (One Hundred and

Twelve Thousand Five Hundred Dollars and Zero Cents (\$112,500.00)), in settlement of PAGA claims.

1.33 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.34 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.35 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

1.36 “Released Claims” means the Released Class Claims and the Released PAGA Claims.

1.37 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.38 “Released PAGA Claims” means the claims being released as described in Paragraph 5.1 below.

1.39 “Released Parties” means Defendant and all of its respective current and former companies, parents, subsidiaries, predecessors and successors, and their affiliated entities, and each of their respective spouses, owners, officers, managing agent(s) (as defined in subdivision (b) of Section 3294 of the Civil Code), directors, partners, members, shareholders, and agents, and any other successors, heirs, assigns, or legal representatives, any attorneys, insurers, and claims representatives. The Parties are aware of the *Jennifer Russell, et. al. v. TRC Environmental Corporation, et al.*, lawsuit filed on April 3, 2023, in the Superior Court of the State of California, County of Butte, Case No.: 23CV00826 (“*Russell* Action”). Two entities named as defendants in the *Russell* Action are expressly not included in the settlement of the instant Action, namely: TRC Environmental Corporation and TRC Field Services, Inc.; and, any claims asserted by the plaintiffs in the *Russell* Action against the remaining defendant (i.e., TRC Engineers, Inc.) are asserted on behalf of plaintiffs individually.

1.40 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.41 “Response Deadline” means sixty (60) calendar days after the Administrator mails the Class Notice to Class Members, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail written objections to the Settlement. Class Members to whom Class Notice are resent after having been returned as undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.

1.42 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.43 “Workweek(s)” means any week during which a Class Member worked for Defendant in California for at least one day during the Class Period.

2. RECITALS.

2.1 Plaintiff, Robert Estrada is a former employee of TRC Engineers, Inc.

2.2 On October 7, 2021, Plaintiff commenced the Action and on August 25, 2022 Plaintiff filed a First Amended Complaint purporting to allege causes of action against TRC Companies, Inc., and TRC Companies, LLC (“TRC Companies”) for: (i) Failure to Pay Minimum Wages [Cal. Lab. Code §§ 204, 1194, 1194.2 and 1197]; (ii) Failure to Pay Overtime Compensation [Cal. Lab. Code § 1194 and 1198]; (iii) Failure to Provide Meal Periods [Cal. Lab. Code § 226.7 and 512]; (iv) Failure to Authorize and Permit Rest Period [Cal. Lab. Code §§ 226.7 and 512]; (v) Failure to Indemnify Necessary Business Expenses [Cal. Lab. Code § 2802]; (vi) Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203]; (vii) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226]; (viii)) Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, *et seq.*]; and (ix) Civil Penalties Under PAGA [Cal. Lab. Code § 2699, *et seq.*]. TRC Companies deny they were the employer of Plaintiff, the Aggrieved Employees, or the Class Members. In addition, TRC Companies and Defendant deny the allegations in the First Amended Complaint, any failure to comply with the laws identified in the First Amended Complaint, and deny any and all liability for the causes of action alleged.

2.3 Pursuant to Labor Code § 2699.3, subd. (a), Plaintiff gave written notice to TRC Companies, Inc., and TRC Companies, LLC, and the LWDA by sending the PAGA Notice on October 3, 2021 (Case No. LWDA-CM-847103-21). The PAGA Notice alleges TRC Companies violated California Labor Code §§ 201-203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2699, 2699(f)(2), and 2802, and the applicable Industrial Welfare Commission Wage Order(s).

2.4 On February 7, 2023, the Parties participated in an all-day mediation presided over by Steven J. Rottman, Esq.; however, mediation was unsuccessful. The Parties later agreed to participate in another all-day mediation with Steven Rottman on August 2, 2023, which led to this Settlement Agreement. Prior to mediation, Plaintiff obtained from Defendant, through informal discovery, information sufficient to meaningfully evaluate the claims at issue in the Action, including applicable written policies, the employee handbook in effect during the Class Period, Plaintiff’s complete personnel file, and a sample of time and corresponding payroll records for Class Members. The Parties agree that Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal. App. 4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal. App. 4th 116, 129–130 (“*Dunk/Kullar*”).

2.5 Class Counsel have conducted a thorough investigation into the facts of the Action. The Class Representative has vigorously prosecuted this case, and Defendant has vigorously contested it. The Court has not granted class certification in the Action.

2.6 On September 18, 2023, the Parties entered into a binding Memorandum of Understanding (the “MOU”) pursuant to which they agreed, subject to the Court’s preliminary and final approval, to a global settlement of all claims that were made and could have been made in

the Action in exchange for a payment of Two Million Two Hundred Thousand Dollars and Zero Cents (\$2,200,000.00).

2.7 On October 18, 2023, Plaintiff filed a Doe Amendment naming TRC Engineers, Inc., as a Defendant in this matter. On December 13, 2023, Plaintiff filed a request to dismiss TRC Companies, Inc. and TRC Companies, LLC without prejudice, which the Court entered by order on December 13, 2023. Pursuant to the MOU, Defendant agrees to waive all fees and costs regarding the dismissal of TRC Companies, Inc. and TRC Companies, LLC.

2.8 Without any admission of wrongdoing or liability by Defendant or TRC Companies, it is the intention and agreement of the Parties to settle and dispose of, fully and completely, the Released Claims against the Released Parties (defined herein).

2.9 This Agreement is subject to the occurrence of the Effective Date (defined herein).

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

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise stated in Paragraph 4.1 below, Defendant promises to pay the total gross amount of Two Million Two Hundred Thousand Dollars and Zero Cents (\$2,200,000.00) and no more as the Gross Settlement Amount, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline in Paragraph 4.3 below. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1 To Plaintiff. A Class Representative Enhancement Payment of not more than Seven Thousand Five Dollars and Zero Cents (\$7,500.00) to be paid to Plaintiff in recognition of his effort and work in prosecuting the Action on behalf of Class Members, the State of California, and Aggrieved Employees and in exchange for providing a general release and waiver of rights under the California Civil Code section 1542. Defendant will not oppose a request for this payment provided that the request does not exceed this amount. Plaintiff and/or Class Counsel will file a motion for Class Representative Enhancement Payment, which will be filed no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Representative Enhancement Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. This award, which will be paid from the Gross Settlement Amount, in the amount subject to Court approval, will be in addition to any other payment Plaintiff is eligible to receive under the Settlement (e.g., Individual Class Payment and/or Individual PAGA Payment). The Administrator will issue an IRS Form 1099 to Plaintiff for his

award, and Plaintiff shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amount received.

3.2.2 To Class Counsel. A Class Counsel Fees Payment of not more than thirty-three and one-third percent (33 1/3%) of the Gross Settlement Amount, which is currently estimated to be Seven Hundred Thirty-Three Thousand Three Hundred Three Dollars and Thirty-Three Cents (\$733,333.33) and a Class Counsel Litigation Expenses Payment of not more than Forty Thousand Dollars and Zero Cents (\$40,000.00). Defendant will not oppose a request for these payments provided that the request does not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, which will be filed no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assume full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and hold Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments. A reduction by the Court of the Class Counsel Fees Payment and/or Class Counsel Expenses Payment shall not be grounds to nullify this Agreement.

3.2.3 To the Administrator. An Administration Expenses Payment not to exceed Ten Thousand Dollars and Zero Cents (\$10,000.00) except for a showing of good cause and as approved by the Court. To the extent actual Administration expenses are greater than Ten Thousand Dollars and Zero Cents (\$10,000.00), such excess amount, if approved, will be deducted from the Gross Settlement Amount, subject to the Court's approval. To the extent actual Administrator's expenses are less or the Court approves payment less than Ten Thousand Dollars and Zero Cents (\$10,000.00), the Administrator will retain the remainder in the Net Settlement Amount for distribution on a pro rata basis to Participating Class Members.

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

3.2.3.1 Tax Allocation of Individual Class Payments. Ten Percent (10%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. Forty-Five Percent (45%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and Forty-Five Percent (45%) to penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

3.2.5 To the LWDA and Aggrieved Employees. PAGA Penalties in the amount of One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00) to be paid from the Gross Settlement Amount, with 75% (\$112,500.00) allocated to the LWDA PAGA Payment and 25% (\$37,500.00) allocated to the Individual PAGA Payments.

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (i.e., \$37,500.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount for distribution to Participating Class Members.

4. SETTLEMENT DATA, FUNDING, AND PAYMENTS.

4.1 Escalator Clause. Defendant has identified the number of Workweeks during the Class Period to be 44,656 as of June 16, 2023. If the actual percentage of Workweeks increases by fifteen percent (15%) (i.e., by more than 51,355 Workweeks), the Settlement shall be increased by the percentage that the actual number of Workweeks exceeds 51,355. If this escalator clause is triggered and more than 15% increase is reached prior to preliminary approval, Defendant has the sole option of ending the Class Period and PAGA Period on the date on which the Workweeks reach 51,355 in lieu of being required to increase the Gross Settlement Amount.

4.2 Class Data. Not later than fourteen (14) calendar days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator in the form of a Microsoft Excel spreadsheet, and shall concurrently provide a list of the Class Members' names to Class Counsel. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, also inclusive of the amounts necessary to fully pay Defendant's share of payroll taxes owed on the Wage Portions of Individual Class Payments, by transmitting the funds to the Administrator no later than thirty (30) calendar days following Final Approval. The Administrator shall deposit the Gross Settlement Amount into federally insured bank accounts (i.e., FDIC) so that all money held by the Administrator is federally insured.

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

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

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

4.4.3 Uncashed Settlement Checks. Any checks issued by the Administrator to Class Members will be negotiable for one hundred eighty (180) calendar days. Any checks that remain uncashed after one hundred eighty (180) calendar days from the date of initial mailing shall become null and void. Funds associated with cancelled checks shall be forwarded to the Controller of the State of California pursuant to the Unclaimed Property Law, California Civil Code §§ 1500, *et seq.*, to be held in trust for those Participating Class Members and/or Aggrieved Employees who did not timely cash their Settlement checks. The Parties agree that this disposition results in no “unpaid residue” under California Civil Procedure Code § 384, as all payments to the Participating Class Members and Aggrieved Employees will be paid out, whether or not these individuals cash their Settlement checks. Therefore, Defendant will not be required to pay any interest on such amounts.

4.4.4 Unaffected Benefits. The Individual Class Payments and Individual PAGA Payments made to Class Members under this Settlement, and any other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Member may be eligible, including, but not limited to, profit-sharing plans,

bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Member may be entitled under any benefit plans.

5. RELEASE.

Effective on the date when Defendant fully funds the entire Gross Settlement Amount and Defendant's share of payroll taxes owed on the Wage Portions of Individual Class Payments, Plaintiff, Participating Class Members, and Aggrieved Employees will release claims against all Released Parties as follows:

5.1 **Released PAGA Claims.** Plaintiff, all Aggrieved Employees, and the State of California shall be deemed to have fully, finally, and forever released, relinquished, and discharged each and all of the Released Parties from any and all claims, demands, rights, liabilities, and/or causes of action for penalties under PAGA that accrued during the PAGA Period and that were asserted in Plaintiff's PAGA Notice or the Operative Complaint as well as those that could reasonably have been alleged in the Action based on the facts contained in Plaintiff's PAGA Notice or the Operative Complaint, including, without limitation, Labor Code §§ 201-203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2699, 2699(f)(2), and 2802, and the applicable Industrial Welfare Commission Orders. Plaintiff and the Aggrieved Employees shall be deemed to have acknowledged and agreed that their claims in this Action are disputed, and that the payments to them set forth in this Agreement constitute payment of all sums allegedly due to them arising from the PAGA claims and constitute settlement of all PAGA claims.

Nothing in this Agreement is intended to or shall preclude Plaintiff and Aggrieved Employees from filing a complaint and/or charge with any appropriate federal, state, or local government agency and/or cooperating with said agency in its investigation. Plaintiff and Aggrieved Employees retain the right to file a charge with, and to participate in an investigation conducted by, any appropriate government agency charged with enforcement of any law and the right to engage in concerted activity granted by Section 7 of the National Labor Relations Act. Plaintiff and Aggrieved Employees, however, shall not be entitled to receive any civil penalties for the Released PAGA Claims in connection with any complaint or charge brought against any Released Party for claims arising on or before the date Plaintiff executes this Agreement, without regard as to who brought said complaint or charge.

5.2 **Released Class Claims.** Participating Class Members shall release and discharge Released Parties from the Released Class Claims and any and all federal and California state law wage-and-hour claims, rights, demands, liabilities, and/or causes of action of every nature and description arising from any and all claims that accrued during the Class Period and that were alleged in, or could reasonably have been alleged in, the Operative Complaint based on the facts contained therein, including, without limitation, statutory, constitutional, contractual, and/or common law claims for wages, reimbursements, damages, unpaid costs, penalties (including penalties under the California Labor Code's Private Attorneys General Act of 2004, as amended, California Labor Code §§ 2699 *et seq.*), liquidated damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief. The Released Class Claims include, without limitation, California Code of Civil Procedure §§ 382, 474, and 1021.5, California Labor Code §§ 201, 201.3,

202, 203, 210, 226, 226.3, 226.7, 510, 512, 515, 558.1, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2698, 2699, 2699.3, 2699.5, and 2802, any category of violations identified in Labor Code § 2699.5, and any federal counterparts, California Code of Regulations § 11400, California Business and Professions Code §§ 17200, *et seq.*, any IWC Wage Orders, and any cause of action for (i) Failure to Pay Minimum Wages [Cal. Lab. Code §§ 204, 1194, 1194.2 and 1197]; (ii) Failure to Pay Overtime Compensation [Cal. Lab. Code §§ 1194 and 1198]; (iii) Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7 and 512]; (iv) Failure to Authorize and Permit Rest Period [Cal. Lab. Code §§ 226.7 and 512]; (v) Failure to Indemnify Necessary Business Expenses [Cal. Lab. Code § 2802]; (vi) Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203]; (vii) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226]; (viii) Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, *et seq.*]; and (ix) Civil Penalties Under PAGA [Cal. Lab. Code §§ 2699, *et seq.*].

The following language will be printed on the reverse of each settlement payment check, or words to this effect: “By endorsing or otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms set forth in the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval and I consent to join in the Fair Labor Standards Act (“FLSA”) portion of the Action, elect to participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the Settlement.”

Upon entry of Judgment, Class Members are precluded from filing a wage and hour action under the Fair Labor Standards Act against the Released Parties for claims and/or causes of action encompassed by the Released Claims which are extinguished and precluded pursuant to the holding in *Rangel v. PLS Check Cashers of California, Inc.*, 899 F.3d 1106 (2018). This release excludes the release of claims not permitted by law. In connection with the above Released Class Claims, and in consideration of Defendant’s payment of the Gross Settlement Amount and Defendant’s share of payroll taxes owed on the Wage Portions of Individual Class Payments, each and every Participating Class Member, including Plaintiff, will be deemed also to have acknowledged and agreed that California Labor Code § 206.5 is not applicable to Defendant and the Participating Class Members because there is a good faith dispute as to whether any wages are due at all to any Class Member. California Labor Code § 206.5 provides, in pertinent part, as follows:

AN EMPLOYER SHALL NOT REQUIRE THE EXECUTION OF A RELEASE OF A CLAIM OR RIGHT ON ACCOUNT OF WAGES DUE, OR TO BECOME DUE, OR MADE AS AN ADVANCE ON WAGES TO BE EARNED, UNLESS PAYMENT OF THOSE WAGES HAS BEEN MADE.

5.3. **Plaintiff’s Release.** Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge the Released Parties from all claims, transactions, or occurrences arising out of his employment with Defendant, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint, (b) all PAGA claims that were, or reasonably could have been, alleged, based on facts contained, in the Operative Complaint or Plaintiff’s PAGA Notice, and (c) claims not asserted in the Action (“Plaintiff’s General Release”). Plaintiff’s General Release excludes any claims or actions to enforce the

Settlement, any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time, or any claims based on occurrences outside the Class Period. For purposes of Plaintiff's General Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of the California Civil Code § 1542, which reads as follows:

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

6. ADMINISTRATION OF TAXES.

6.1 Tax Treatment of Individual PAGA Payments and Individual Class Payments. The Individual PAGA Payments will be allocated as 100% penalties and reported on an IRS-Form 1099. All Individual Class Payments will be allocated as follows: ten percent (10%) of each Individual Class Payment will be allocated as wages and ninety percent (90%) will be allocated as non-wages. The portion allocated to wages will be reported on an IRS Form W-2 and the portion allocated to non-wages will be reported on an IRS Form-1099 by the Administrator. The Individual Class Payments will be reduced by any required legal deductions for each Class Member. All standard employee payroll deductions will be made for state and federal withholding taxes, including any other applicable payroll deductions owed by the Class Members as a result of the wage component, resulting in a net wage component. The Administrator will issue a W-2 Form to each Class Member for the wage component. The Administrator will issue a IRS Form-1099 for the remaining non-wages component. No withholding shall be made on the non-wages portion of the Individual Class Payment. The Administrator shall be responsible for issuing the payments and calculating and withholding all required state and federal taxes. The Administrator shall determine the eligibility for, and the amounts of, any Individual Class Payments under the terms of this Settlement Agreement. Any disputes not resolved by the Administrator concerning the administration of the Settlement will be resolved by the Court, under the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the dispute without the necessity of involving the Court.

6.2 Tax Liability. Defendant makes no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiff and Class Members are not relying on any statement, representation, or calculation by Defendant or by the Administrator in this regard. Plaintiff and Class Members understand and agree they will be solely responsible for the payment of their share of any taxes and penalties assessed on the payments described herein.

6.3 CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY

SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

7. MOTION FOR PRELIMINARY APPROVAL.

Class Representative and Class Counsel agree to prepare and file a motion for preliminary approval ("Motion for Preliminary Approval").

7.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel for review prior to filing all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code § 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel, or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and/or the Administrator; (v) a signed declaration from Class Counsel attesting to their competency to represent the Class Members; their timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code § 2699.3, subd. (a)), Operative Complaint (Labor Code § 2699, subd. (l)(1)), and this Agreement (Labor Code § 2699, subd. (l)(2))); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action, other than the *Russell* Action, asserting claims that will be extinguished or adversely affected by the Settlement.

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

8. SETTLEMENT ADMINISTRATION.

8.1 Selection of Administrator. The Parties have jointly selected Phoenix Class Action Administration Solutions to serve as the Administrator and verified that, as a condition of appointment, Phoenix Class Action Administration Solutions agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

8.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.

8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation § 468B-1.

8.4 Notice to Class Members.

8.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and PAGA Pay Periods in the Class Data.

8.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) calendar days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice with Spanish translation substantially in the form attached to this Agreement as Exhibit A. The Class Notice shall estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

8.4.3 Not later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

8.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) calendar days beyond the sixty (60) calendar days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

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

8.5 Requests for Exclusion (Opt-Outs).

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

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

8.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraph 5.2 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

8.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who

are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.1 of this Agreement and are eligible for and will be mailed an Individual PAGA Payment.

8.6 Challenges to Calculation of Workweeks and/or Pay Periods. Each Class Member shall have sixty (60) calendar days after the Administrator mails the Class Notice (plus an additional fourteen (14) calendar days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member, as stated in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator, via fax, email, or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks and Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

8.7 Objections to Settlement.

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

8.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In addition and/or in the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so no later than sixty (60) calendar days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) calendar days for Class Members whose Class Notice was re-mailed).

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

8.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement and/or requested by the Parties and/or ordered by the Court.

8.8.1 Website, Email Address, and Toll-Free Number. The Administrator will establish, maintain, and use an internet website to post information of interest to Class Members, including the date, time, and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Final Approval, and the Judgment. The Administrator will post the Final Approval and Judgment online for a period of not less than ninety (90) days following entry

thereof. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.

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

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

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

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

8.8.6 Final Report by Settlement Administrator. Within fourteen (14) calendar days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements, by employee identification number only, of all payments made under this Agreement. At least fifteen (15) calendar days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator’s declaration in Court.

9. DEFENDANT'S RIGHT TO WITHDRAW.

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

10. NULLIFICATION OF AGREEMENT.

In the event: (i) the Court does not enter the Preliminary Approval Order and approve the Released Claims specified herein; (ii) the Court does not finally approve the Settlement as provided herein; (iii) Defendant exercises its option to nullify the Settlement Agreement based on an excessive number of opt-outs, as described in Paragraph 9 above; or (iv) the Settlement does not become final for any other reason (*e.g.*, following an objection by the LWDA), this Settlement Agreement shall be null and void. A reduction of the Attorneys' Fees and Costs by the Court shall not be grounds for nullification of this Settlement. If the Settlement is nullified, any order or judgment entered by the Court in furtherance of this Settlement Agreement shall be treated as void from the beginning, and the Stipulations and Recitals contained herein shall be of no force or effect, and shall not be treated as an admission by the Parties or their counsel. In such a case, the Parties and any funds to be awarded under this Settlement Agreement shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Settlement Agreement, and the Parties shall proceed in all respects as if this Settlement Agreement had not been executed, except that any fees already incurred by the Administrator shall be paid equally by both Parties. The Parties agree that they will cooperate and take all steps necessary in order to obtain preliminary and/or final approval in the event that the Court raises issues or questions about this Settlement or anything pertaining to this Settlement (including, but not limited to, the Motion for Preliminary Approval and Motion for Final Approval).

11. MOTION FOR FINAL APPROVAL.

Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court a motion for final approval of the Settlement that includes (i) a request for approval of the PAGA settlement under Labor Code § 2699, subd. (l), (ii) a Proposed Final Approval Order, and (iii) a Proposed Judgment (collectively, "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven (7) calendar days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

11.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court

no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties agree to attend mediation again in an effort to reach a settlement that can be approved by the Court. The Court's decision to award less than the amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this Paragraph.

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

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

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

12. AMENDED JUDGMENT.

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

13. ADDITIONAL PROVISIONS.

13.1 No 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, it violated any federal, state, 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 their 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, federal, state, local, or other applicable law.

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

13.3 Confidentiality. Neither Plaintiff nor Class Counsel shall issue any press release or announcement of any kind related in any way to the Settlement. Plaintiff and Class Counsel agree that, prior to Preliminary Approval of the Settlement, they will keep the terms of this Settlement confidential except for purposes of communicating with Plaintiff and Class Members only. Plaintiff shall be informed that the Settlement is confidential and shall be advised to keep the Settlement confidential. From and after Preliminary Approval of the Settlement, Plaintiff and Class Counsel may: (1) as required by law; (2) as required under the terms of the Settlement; or (3) as required under counsel's duties and responsibilities owed to Class Members, comment regarding the specific terms of the Settlement. In all other cases, Plaintiff and Class Counsel agree to limit their statements regarding the terms of the Settlement, whether oral, written, or electronic (including the world wide web), to say the Action has been resolved and that Plaintiff and Class Counsel are satisfied with the Settlement terms. Nothing in this Paragraph is intended to interfere with Class Counsel's duties and obligations to faithfully discharge their ethical and fiduciary duties as Class Counsel, including, but not limited to, communicating with Class Members regarding the Settlement. This Settlement shall not be advertised or mentioned on any source, including Class Counsel's personal or firm website(s).

13.4 Applicable Law. All terms and conditions of this Agreement and any attached Exhibits will be governed by and interpreted according to the internal laws of the State of California, without regard to conflict of law principles.

13.5 Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

13.6 Contractual Terms. Each term of this Agreement is contractual and not merely a recital.

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

13.8 Modifications. The Parties agree that the provisions of this Agreement may not be modified by any subsequent agreement unless the modifying agreement is: (i) in writing; (ii) specifically references this Agreement; (iii) signed by Plaintiff; and (iv) signed and approved by an authorized officer of Defendant.

13.9 Mutual Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

13.10 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.

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

13.12 Execution in Counterparts. This Settlement Agreement is subject to the execution of all Parties and may be executed in one or more counterparts. All executed counterparts and each of them, including electronic signatures (e.g., DocuSign), facsimile, and scanned copies of the signature page, will be deemed to be one and the same instrument and all of which taken together shall be construed as one document. The Parties expressly agree to the use of authorized electronic signature (e.g., DocuSign) or by facsimile and that such signatures shall be as legally binding as an original signature.

13.13 Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of Steven J. Rottman, Esq. (mediator) to resolve such disagreement.

13.14 Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action 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.

13.15 Captions. The captions, paragraph headings, paragraph numbers, section headings, and/or section 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.

13.16 Waiver. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right, or remedy.

13.17 Enforcement Action. If one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties their reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement action.

13.18 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 by each Party. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

13.19 Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to class certification only for purposes of the Settlement. If, for any reason, the Settlement is not approved, the stipulation for certification will be void. The Parties further agree that certification for purposes of the Settlement is not an admission that class action certification is proper under the standards applied to contested certification motions and that this Settlement Agreement will not be admissible in this or any other proceeding as evidence that either: (a) a class action should be certified, or (b) Defendant is liable to Plaintiff or any Class Member, other than according to the Settlement's terms.

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

13.21 Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law. Plaintiff, and not Plaintiff's representative(s), must personally execute this Settlement Agreement.

13.22 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code § 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection

with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from Defendant, unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.

13.23 Representation Regarding Assignments. Plaintiff represents that Plaintiff has not assigned Plaintiff's rights to any other person or entity

13.24 No Third-Party Beneficiaries. There are no third-party beneficiaries who are to be benefited or who may enforce the terms of this Agreement.

13.25 W-4 and W-9 Forms. Plaintiff and Class Counsel agree to provide a completed and signed W-4 form from Plaintiff and W-9 forms from Plaintiff and Class Counsel to Defense Counsel.

13.26 Notice. All notices, demands, or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by USPS mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

MOON LAW GROUP, PC
1055 W. Seventh St., Suite 1880
Los Angeles, California 90017
Kane Moon (E-mail: kmoon@moonlawgroup.com)
Allen Feghali (E-mail: afeghali@moonlawgroup.com)
Charlotte Mikat-Stevens (E-mail: cmikat-stevens@moonlawgroup.com)

To Defendant:

CLARK HILL LLP
555 South Flower Street, 24th Floor
Los Angeles, California 90017
D. Creighton Sebra (E-mail: csebra@clarkhill.com)
Lisa Reimbold (E-mail: lreimbold@clarkhill.com)
Saige Shaw (E-mail: sshaw@clarkhill.com)

Andrew M. Johnson
Associate General Counsel
TRC Companies, Inc.
3 Corporate Drive, Suite 202
Clifton Park, New York 12065

Marc S. Faecher
Chief Risk Officer
TRC Companies, Inc.

21 Griffin Road North
Windsor, CT 06095

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

13.28 Miscellaneous. The Parties have full authority to enter into this Agreement and to be bound by it. The Parties are voluntarily entering into this Agreement free of any duress or coercion.

PLEASE READ CAREFULLY.

PLAINTIFF Robert Estrada

Signature: Robert Estrada
Robert Estrada (Apr 22, 2024 09:08 PDT)

Date: 22/04/24

DEFENDANT TRC Engineers, Inc.

Print Name: Andrew M. Johnson

Date: April 29, 2024

Title: SVP, Associate General Counsel

Signature: 

EXHIBIT A

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

Estrada v. TRC Companies, Inc., et al.

Los Angeles Superior Court Case No. 21STCV37078

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

You may be eligible to receive money from an employee class action lawsuit *Robert Estrada v. TRC Companies, Inc., et al.*, Los Angeles Superior Court Case No. 21STCV37078 (the “Action”) for alleged wage and hour violations. The Action was filed by Robert Estrada (“Plaintiff”), a former employee of TRC Engineers, Inc. (“Defendant”) (together, Plaintiff and Defendant are the “Parties”). The Action seeks payment of (1) back wages for a class of all past and present non-exempt employees of Defendant who worked in California at any time during the Class Period (“Class Members”); and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all past and present non-exempt employees of Defendant who worked in California at any time during the PAGA Period (“Aggrieved Employees”). The “Class Period” is the period from October 7, 2017, and continuing through **the date the Court preliminary approves the settlement**. The “PAGA Period” is the period from October 3, 2020, through **the date the Court preliminary approves the settlement**.

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendant to fund Individual Class Payments to Class Members who do not opt-out of the Settlement (“Participating Class Members”), and (2) a PAGA Settlement requiring Defendant to fund Individual PAGA Payments to Aggrieved Employees and pay penalties to the California Labor and Workforce Development Agency (the “LWDA”).

Based on Defendant’s business records and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ [REDACTED] (less wage withholdings) and your Individual PAGA Payment is estimated to be \$ [REDACTED]**. (If no amount is stated for your Individual PAGA Payment, then you are not eligible for an Individual PAGA Payment because, according to Defendant’s records, you did not work during the PAGA Period and are therefore not an Aggrieved Employee.) However, the actual amount you may receive may be different and will depend on various factors.

The above estimates are based on Defendant’s records showing that **you worked [REDACTED] workweeks** during the Class Period and **you worked [REDACTED] pay periods** during the PAGA Period. If you believe that you worked more workweeks and/or pay periods, you can submit a challenge by **Response Deadline**. See **Section 4** of this Notice.

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

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

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

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be considered a Participating Class Member and be eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert wage claims against Defendant and other Released Parties that are covered by the Class Settlement ("Released Class Claims").
You Can Opt-out of the Class Settlement, but not the PAGA Settlement The Opt-out Deadline is [REDACTED]	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be considered a Non-Participating Class Member and no longer be eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. <i>See Section 6</i> of this Notice. However, you cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees, and in exchange, all Aggrieved Employees will give up their rights to pursue penalties claims against Defendant and other Released Parties that are covered by the PAGA Settlement ("Released PAGA Claims").
Participating Class Members Can Object to the Class Settlement, but not the PAGA Settlement Written Objections Must be Submitted by [REDACTED]	Only Participating Class Members (Class Members who do not opt-out) can object to any aspect of the proposed Class Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff, who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. <i>See Section 7</i> of this Notice. However, Class Members cannot object to the PAGA portion of the proposed Settlement, regardless of whether they opt-out of the Settlement.
You Can Participate in the [REDACTED] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [REDACTED]. You don't have to attend, but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone, or by using the Court's virtual appearance platform. Only Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. <i>See Section 8</i> of this Notice.
You Can Challenge the Calculation of Your Workweeks and/or Pay Periods Written Challenges Must be Submitted by [REDACTED]	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [REDACTED]. <i>See Section 4</i> of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. In the Action, Plaintiff accuses Defendant of violating California labor laws by failing to pay minimum wages, overtime wages, final wages due upon termination, and reimbursable expenses and failing to provide meal periods, rest breaks, and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for unfair business practices under the California Business and

Professions Code and a claim for civil penalties under the California Private Attorneys General Act, Labor Code §§ 2698, *et seq.* (“PAGA”). Plaintiff is represented by the attorneys of Moon Law Group, PC (“Class Counsel.”) Defendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits. Rather than continuing the expensive and time-consuming process of litigation, Plaintiff and Defendant hired a neutral mediator, Steven J. Rottman, who is experienced in class action and PAGA litigation, in an effort to resolve the Action by negotiating a lengthy written settlement agreement (“Agreement”) to end the case (settle the case). The negotiations were successful. By signing the Agreement and agreeing to jointly ask the Court to enter a judgment that will end the Action and enforce the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede to the merit of any claims, and likewise, Plaintiff does not admit Defendant’s defenses have any merit.

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

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

1. Defendant Will Pay a minimum of \$2,200,000.00 as the Gross Settlement Amount (the “Gross Settlement”). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Enhancement Payment, Class Counsel’s Fees and Litigation Expenses Payments, Administration Expenses Payment, and LWDA PAGA Payment. Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement, and also separately fund the amounts necessary to fully pay its employer’s share of payroll taxes owed on the Individual Class Payments, no later than 30 calendar days following the Court’s order granting Final Approval of the Settlement.
2. Court-Approved Deductions from the Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to thirty-three and one-third percent (33 1/3%) of the Gross Settlement (currently estimated to be \$733,333.33) to Class Counsel for attorneys’ fees and up to \$40,000.00 as reimbursement for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$7,500.00 as a Class Representative Enhancement Payment to Plaintiff for filing the Action, working with Class Counsel, and representing the Class. This award will be the only monies Plaintiff will receive other than Plaintiff’s Individual Class Payment and Individual PAGA Payment (if any).
 - C. Up to \$10,000.00 as an Administration Expenses Payment to the Administrator for its services and costs in administering the Settlement.

- D. Up to \$150,000.00 for PAGA Penalties, allocated as 75% (\$112,500.00) to the LWDA's PAGA Payment and 25% (\$37,500.00) to Aggrieved Employees in Individual PAGA Payments based on their PAGA Pay Periods.

Participating Class Members have the right to object to any of the above deductions, other than the PAGA Penalties amount. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant will ask the Court to approve an allocation of 10% of each Individual Class Payment to wages (the "Wage Portion") and the remaining 45% to penalties and 45% interest (the "Non-Wage Portion"). The Wage Portion is subject to tax withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties, rather than wages, for tax purposes, and therefore, they are not subject to withholdings. However, the Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

5. Promptly Cash Your Individual Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the "Void Date"). If you don't cash it by the Void Date, your check will be automatically cancelled, and the monies will be deposited with the State of California Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller's Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money. *See Section 10* of this Notice.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in a signed writing, no later than **Response Deadline** (the "Response Deadline"), that you wish to opt-out. The Request for Exclusion be written by you or your legal representative that sets forth your full name, mailing address, and email address or telephone number and a simple statement that communicates your wish to be excluded from the Settlement. Excluded Class Members ("Non-Participating Class Members") will not receive Individual Class Payments, and instead will preserve their rights to personally pursue any wage and hour claims against Defendant and the other Released Parties. *See Section 6* of this Notice.

You cannot opt-out of the PAGA portion of the Settlement. Non-Participating Class Members remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant and the other Released Parties based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement and decline to enter a Judgment. It is also possible

the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void, meaning: Defendant will not pay any money and Class Members will not release any claims.

8. Administrator. The Court has appointed a neutral company, **Phoenix Class Action Administration Solutions** (the “Administrator”), to send this Notice, calculate and make payments, and process any Class Member Requests for Exclusion and written objections. The Administrator will also decide Class Member disputes over Workweeks and/or Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in **Section 9** of this Notice.
9. Released Parties. For purposes of the below claims releases, the “Released Parties” means Defendant and all of its respective current and former companies, parents, subsidiaries, predecessors and successors, and their affiliated entities, and each of their respective spouses, owners, officers, managing agent(s) (as defined in subdivision (b) of Section 3294 of the Civil Code), directors, partners, members, shareholders, and agents, and any other successors, heirs, assigns, or legal representatives, any attorneys, insurers, and claims representatives.
10. Participating Class Members’ Claims Release. Effective on the date when Defendant fully funds the entire Gross Settlement and Defendant’s share of payroll taxes owed on the Wage Portions of Individual Class Payments, Participating Class Members will release claims against all Released Parties as follows (the “Released Class Claims”):

Participating Class Members shall release and discharge Released Parties from the Released Class Claims and any and all federal and California state law wage-and-hour claims, rights, demands, liabilities, and/or causes of action of every nature and description arising from any and all claims that accrued during the Class Period and that were alleged in, or could reasonably have been alleged in, the First Amended Operative Complaint based on the facts contained therein, including, without limitation, statutory, constitutional, contractual, and/or common law claims for wages, reimbursements, damages, unpaid costs, penalties (including penalties under the California Labor Code’s Private Attorneys General Act of 2004, as amended, California Labor Code section §§ 2699 et seq.), liquidated damages, interest, attorneys’ fees, litigation costs, restitution, or equitable relief. The Released Class Claims include, without limitation, California Code of Civil Procedure sections §§ 382, 474, and 1021.5, California Labor Code sections §§ 201, 201.3, 202, 203, 210, 226, 226.3, 226.7, 510, 512, 515, 558.1, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2698, 2699, 2699.3, 2699.5, and 2802, any category of violations identified in Labor Code section § 2699.5, and any federal counterparts, California Code of Regulations section § 11400, California Business and Professions Code sections §§ 17200, et seq., 17200-17208, 17203, 17204, 17205, any IWC Wage Orders, and any cause of action for (i) Failure to Pay Minimum Wages [Cal. Lab. Code §§ 204, 1194, 1194.2 and 1197]; (ii) Failure to Pay Overtime Compensation [Cal. Lab. Code §§ 1194 and 1198]; (iii) Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7 and 512]; (iv) Failure to Authorize and Permit Rest Period [Cal. Lab. Code §§ 226.7 and 512]; (v) Failure to Indemnify Necessary Business Expenses [Cal. Lab. Code § 2802]; (vi) Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203]; (vii) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226]; (viii) Unfair Business Practices [Cal. Bus. & Prof. Code sections §§ 17200, et seq.]; and (ix) Civil Penalties Under PAGA [Cal. Lab. Code §§ 2699, et seq.].

The following language will be printed on the reverse of each settlement payment check, or words to this effect: “By endorsing or otherwise negotiating this check, I acknowledge that I read, understood, and agree to the terms set forth in the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval and I consent to join in the Fair Labor Standards Act (“FLSA”) portion of the Action, elect to participate in the settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by the Settlement.”

Upon entry of Judgment, Class Members are precluded from filing a wage and hour action under the Fair Labor Standards Act against the Released Parties for claims and/or causes of action encompassed by the Released Claims which are extinguished and precluded pursuant to the holding in *Rangel v. PLS Check Cashers of California, Inc.*, 899 F.3d 1106 (2018). This release excludes the release of claims not permitted by law.

In connection with the above Released Class Claims, and in consideration of Defendant's payment of the Gross Settlement Amount and Defendant's share of payroll taxes owed on the Wage Portions of Individual Class Payments, each and every Participating Class Member, including Plaintiff, will be deemed also to have acknowledged and agreed that California Labor Code section § 206.5 is not applicable to Defendant and the Participating Class Members because there is a good faith dispute as to whether any wages are due at all to any Class Member. California Labor Code section § 206.5 provides, in pertinent part, as follows:

AN EMPLOYER SHALL NOT REQUIRE THE EXECUTION OF A RELEASE OF A CLAIM OR RIGHT ON ACCOUNT OF WAGES DUE, OR TO BECOME DUE, OR MADE AS AN ADVANCE ON WAGES TO BE EARNED, UNLESS PAYMENT OF THOSE WAGES HAS BEEN MADE.

11. Aggrieved Employees' Claims Release. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and Defendant's share of payroll taxes owed on the Wage Portions of Individual Class Payments, Aggrieved Employees will release claims against all Released Parties as follows (the "Released PAGA Claims"):

Upon the Court's approval of the Settlement, Plaintiff, all Aggrieved Employees, and the State of California shall be deemed to have fully, finally, and forever released, relinquished, and discharged each and all of the Released Parties from any and all claims, demands, rights, liabilities, and/or causes of action for penalties under PAGA that accrued during the PAGA Period and that were asserted in Plaintiff's PAGA Notice or the Action Operative Complaint as well as those that could reasonably have been alleged in the Action based on the facts contained in Plaintiff's PAGA Notice or the Operative Complaint therein, including, without limitation, Labor Code §§ 201-203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2699, 2699(f)(2), and 2802, and the applicable Industrial Welfare Commission Orders. Plaintiff and the Aggrieved Employees shall be deemed to have acknowledged and agreed that their claims in this Action are disputed, and that the payments to them set forth in this Agreement constitute payment of all sums allegedly due to them arising from the PAGA claims and constitute settlement of all PAGA claims.

Nothing in this Agreement is intended to or shall preclude Plaintiff and Aggrieved Employees from filing a complaint and/or charge with any appropriate federal, state, or local government agency and/or cooperating with said agency in its investigation. Plaintiff and Aggrieved Employees retain the right to file a charge with, and to participate in an investigation conducted by, any appropriate government agency charged with enforcement of any law and the right to engage in concerted activity granted by Section 7 of the National Labor Relations Act. Plaintiff and Aggrieved Employees, however, shall not be entitled to receive any civil penalties for the Released PAGA Claims in connection with any complaint or charge brought against any Released Party for claims arising on or before the date Plaintiff executes this Agreement, without regard as to who brought said complaint or charge.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (i.e., \$37,500.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods.
3. Workweek and/or Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until **Response Deadline** to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by sending a signed, written letter to the Administrator by fax, email, or mail. Any mailed letter must be postmarked by **Response Deadline**. See **Section 9** of this Notice for the Administrator's contact information.

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

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. postal mail, a single check to every Participating Class Member, including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment (if any).
2. Non-Participating Class Members. The Administrator will send, by U.S. postal mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement.

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

Only if you wish to exclude yourself from the Settlement, either you or your legal representative must submit to the Administrator, by fax, email, or mail, a written and signed letter with your full name, mailing address, and email address or telephone number and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request to be excluded. Be sure to identify the Action as *Robert Estrada v. TRC Companies, Inc., et al.* (Case No. 21STCV37078). **Your request to be excluded must be faxed, emailed, or postmarked by **Response Deadline**, or it will be invalid and untimely.**

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the proposed Settlement, and only to the Class portion. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least 16 days before the **Final Approval Hearing**, Class Counsel and/or Plaintiff will file in Court a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and a motion for payment of Class Counsel Fees, Class Counsel Costs, and Class Representative Enhancement award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses and (ii) the amount Plaintiff is requesting as the Class Representative. Upon reasonable request, Class Counsel (whose contact information is in **Section 9** of this Notice) will send you copies of these documents at no cost to

you. You can also view them on the Administrator's Website at [REDACTED] or the Court's website at <https://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil>.

A Participating Class Member who disagrees with any aspect of the Agreement and/or the Motion for Final Approval may wish to object, for example, that the proposed Settlement is unfair or that the amounts requested by Class Counsel and/or Plaintiff are too high or too low. Participating Class Members can object by submitting a written objection and/or appearing at the Final Approval Hearing.

Any written objection, to be valid, must be sent to the Administrator and be timely faxed, emailed, or postmarked by the **Response Deadline.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Robert Estrada v. TRC Companies, Inc., et al.* (Case No. 21STCV37078), include your identifying information (full name, mailing address, and email address or telephone number), and sign the objection.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] in Department 9 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the Judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, the Administrator, and the LWDA. The Court will invite comment from objectors, Class Counsel, and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It is possible that the Court will reschedule the Final Approval Hearing. Therefore, before attending the Final Approval Hearing, you should check the Administrator's website at [REDACTED] or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything that Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment, or any other documents relevant to the Action is to go to the Administrator's website at [REDACTED]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Court website by going to <https://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil> and entering the Case Number for the Action (Case No. 23STCV07581). You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

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

Class Counsel:

Name of Attorneys: Kane Moon; Allen Feghali; Charlotte Mikat-Stevens

Email Addresses: kmoon@moonlawgroup.com; afeghali@moonlawgroup.com;
cmikat-stevens@moonlawgroup.com

Name of Firm: Moon Law Group, PC

Mailing Address: 1055 W. Seventh Street, Suite 1880, Los Angeles, California 90017

Telephone: (213) 232-3128

Fax Number: (213) 232-3125
Counsel for TRC Companies:
Name of Attorneys: D. Creighton Sebra; Lisa Reimbold (Clark Hill, LLP)
Email Address: csebra@clarkhill.com; lreimbold@clarkhill.com
Name of Firm: Clark Hill LLP
Address: 555 South Flower Street, 24th Floor, Los Angeles, CA 90071
Telephone: (213) 891-9100
Fax Number: (213) 488-1178

Settlement Administrator:

Name of Company: Phoenix Class Action Administration Solutions
Email Address: XX
Mailing Address: XX
Telephone: XX
Fax Number: XX
Website: XX

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your check before cashing it, the Administrator will replace it as long as you request a replacement before the void date stated on the face of the original check. If your check is already void, you should consult the State of California Controller's Unclaimed Property Fund at <https://ucpi.sco.ca.gov/> for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To ensure you receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address. Your check will be sent to the same address as this Notice unless you notify the Administrator about any change to your mailing address.